

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

** R

Paris, Wednesday, March 17, 1999

No. 36,091

TODAY:
Homage to Robbins, Page 10
STAGE

Resignation of Discredited Commission Provokes Crisis

Europeans Seek Quick Change in EU Leadership

By Barry James
International Herald Tribune

BRUSSELS — European governments moved quickly Tuesday to replace Jacques Santer as president of the European Commission after all 20 members of the European Union's executive body resigned en masse in response to a devastating report on corruption.

In London, Prime Minister Tony Blair and Chancellor Gerhard Schroeder of Germany agreed that the EU would seek to name a successor at a summit meeting in Berlin next week. The hunt was on for a candidate with "political experience,

economic knowledge, administrative skills and absolute integrity," Mr. Schroeder said.

The chancellor was touring European capitals seeking a consensus on a new leadership after

Edith Cresson's fateful traits. Page 6.
Crisis may be blessing in disguise. Page 11.

met Mr. Santer earlier in the day. But Spain and Greece said they would prefer Mr. Santer to remain in office as head of a caretaker mission. His five-year appointment and that of the other commissioners was due to end Dec. 31.

In the past, the names of Romano Prodi, the former Italian prime minister, and Javier Solana, the secretary-general of NATO, have been mentioned as possibilities.

The prospect of a quick resolution to the crisis grew as it became apparent that sentiment in the European Parliament was swinging in favor of the commission's being replaced, although commissioners who had been exonerated by the report could be reappointed. Mr. Blair said he wanted the two British commissioners, Sir Leon Brittan and Neil Kinnock, to continue serving.

The president of the Parliament, Jose Maria Gil Robles, said a new leader should be sought

immediately, and that to allow Mr. Santer to continue in office would be the worst of solutions. He said the heads of the Parliament's political groups unanimously supported the conclusions of the report.

The Parliament touched off the crisis earlier this year by seeking to oust the commission in a no-confidence vote over corruption. It lost that vote but succeeded in appointing a five-member committee of independent experts to investigate charges of fraud, corruption, mismanagement and nepotism.

The commissioners stepped down soon after midnight Monday after the experts' report con-

demned them for incompetence, mismanagement and loss of political control. They remained at their posts as caretakers while the governments consulted on their replacements.

Mr. Schroeder said that he was anxious to show as quickly as possible that Europe was "up and running." He said the crisis would not delay attempts to reform the EU budget and open the way to new members in Eastern and Central Europe. "It is now even more important that Europe makes clear it can act decisively," he said. "We should and must make Berlin a success."

See EU, Page 6

No Easy Fix Within View For Vacuum At the Top

By Barry James
International Herald Tribune

BRUSSELS — The sudden resignation of the entire European Commission has plunged the European Union into the heart of a major institutional crisis, forcing leaders to bring forward by several months the choice of someone to run the EU's executive body.

Opposition mounted in the European Parliament and in national capitals to the present team serving as caretakers until the end of their mandate on Dec. 1.

The original idea was to have chosen a new president at a summit meeting in June, giving him six months to put together a team in consultation with governments.

Some governments, notably Spain and Greece, would be happy to see Mr. Santer remain in place. But other leaders, like Wim Kok of the Netherlands, said it was time for a fresh start.

But with whom? Candidates possessing the qualities of political leadership, political skills, economic knowledge and administrative talent, which the German chancellor, Gerhard Schroeder, said were necessary, are not thick on the ground — particularly when the ideal person needs to get the approval of all 15 member governments.

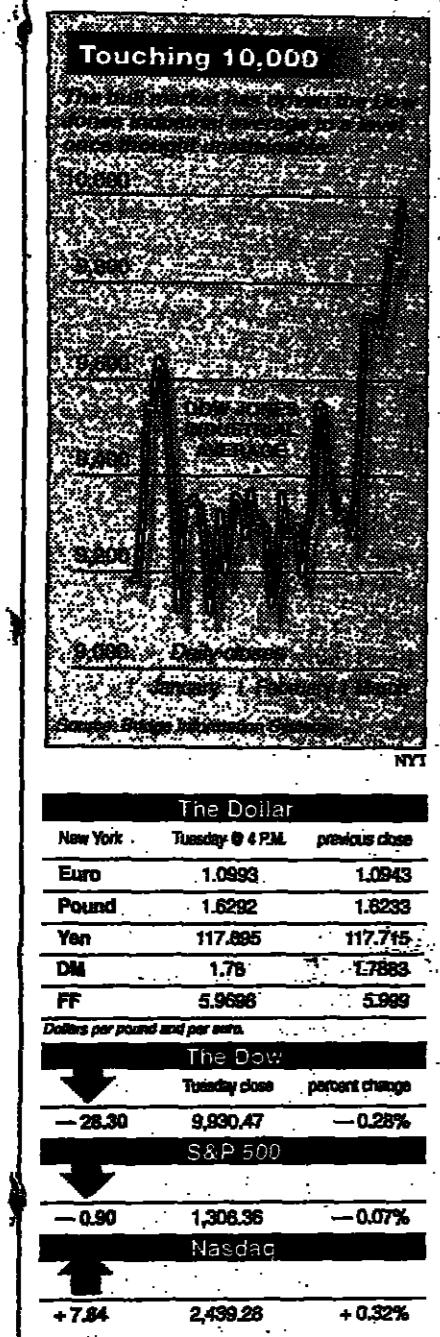
The EU at the same time is looking for someone to fill an almost equally high-ranking job at high representative for foreign and security affairs.

Mr. Santer was chosen as a compromise five years ago after leaders first selected and then rejected Jean-Luc Dehaene, the Belgian prime minister, and could not agree on any one else.

Mr. Santer promised to be a manager rather than a visionary like his predecessor, Jacques Delors, and he said he would do "more with less" by proposing fewer laws and executing those already passed more efficiently.

But in the end, his management style was his undoing. The committee into corruption and nepotism at the commission blamed Mr. Santer and his team

See COMMISSION, Page 6



Dow Cracks 10,000 As Bull Market Rolls Index Is Over 5 Times Level of '87 Crash

By Mitchell Martin
International Herald Tribune

The Dow Jones industrial average traded above 10,000 points Tuesday for the first time ever — merely another big number, perhaps, but one with considerable psychological significance.

The advance propels the bull market of the past two decades to heights that surely must have seemed unattainable after the 1987 market collapse, when the Dow was at less than one-fifth that level — or perhaps as recently as October, when the global financial crisis briefly drove stocks below 8,000.

After a spurt last week, the advance stalled Friday and Monday, reflecting some second thoughts about the prices that blue-chip companies have been fetching on the stock market.

Those second thoughts apparently continued early Tuesday as the Dow, shortly after breaking through the key barrier to hit 10,001.78 points just before 10 A.M. in New York, fell back. The index closed at 9,930.47, down 28.30 points from Monday.

Still, by breaking the 10,000 mark, even if only briefly, the Dow has crossed a threshold that could encourage investors to commit even more cash to stocks, at least in the short run, some analysts say.

Whether that is a good idea is a matter of debate. It is mainly the big-company shares that are contained in the Dow, along with some large technology issues, that have seen the best gains since the current phase of the long-running rally began in 1995.

Optimists say this means that small-

er companies and overseas corporations will eventually catch up, while pessimists contend that the Dow's gains represent a financial bubble that will eventually pop.

Explaining the bullish scenario, Alan Ackerman, executive vice president of Fahnestock & Co. in New York, said, "It represents free-market economics, particularly strength in the United States, and generally speaking, low inflation and low interest rates. Of most importance is the fact that strong economic growth is likely to be one of the dominant factors worldwide in the next few years."

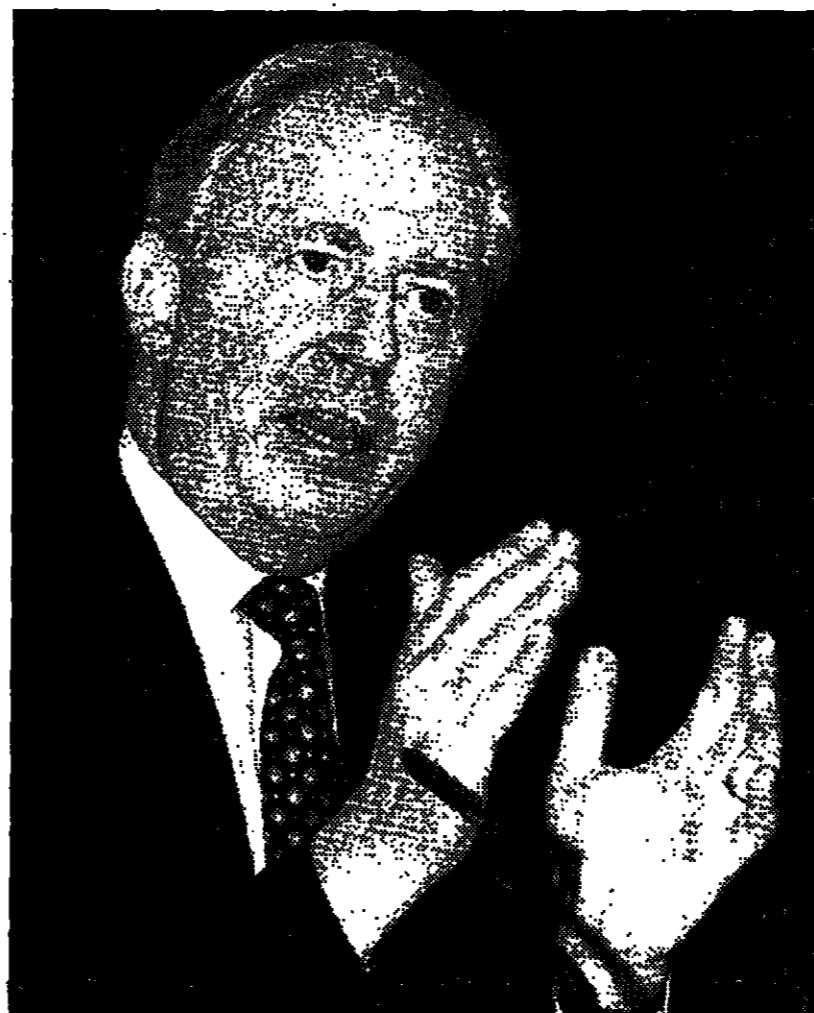
Mr. Ackerman said that since the crisis sparked by Russia's default on ruble bonds in August, "economies have turned from a peak of panic to a sense of stabilization. Current conditions indicate that countries like Brazil may be about to turn the corner."

The announcement this month of a revised financial agreement with the International Monetary Fund has provided hope that Brazil's near-certain decline into recession will be a short-lived affair and that it will do limited damage to the rest of Latin America.

Yet many analysts take a darker view of the situation. They note that since July 1997, when Thailand was forced to devalue its currency, a wave of deflationary pressure has circled the world, exposing bad investments made in unneeded factories and ambitious real estate developments.

The falling prices for goods and services combined with reduced in-

See MARKET, Page 12



President Jacques Santer of the European Commission meeting journalists Tuesday in Brussels after the entire 20-member commission, including Edith Cresson of France, below, resigned after a critical report.



Christian Lutz/The Associated Press

Pyongyang Assents to U.S. Inspections

Clinton Administration Says Agreement Vindicates Policy of Engagement

By Brian Knowlton
International Herald Tribune

WASHINGTON — North Korea has agreed to allow repeated U.S. inspections of a suspected nuclear weapons site in a move the Clinton administration said vindicated its insistence on engaging the Communist government rather than isolating or confronting it.

James Rubin, the State Department spokesman, called the agreement "an important step" toward the U.S. objective of nuclear nonproliferation in Asia. The accord was reached in negotiations in New York.

Mr. Rubin said the two sides had also agreed to hold a new round of talks March 29 in Pyongyang to discuss North Korean production and sales of

ballistic missiles to Third World countries, which the United States opposes. Those negotiations began in 1996.

Although the United States this month pledged 500,000 tons of new food aid to North Korea, where a catastrophic famine is thought to have claimed millions of lives, Mr. Rubin denied that there was any direct link to the inspection agreement.

"We did not agree to North Korean demands for compensation for this access," he said.

When talks on the issue opened in November, Pyongyang demanded \$300 million as the price for access to the site, an enormous man-made cavern at Kumchangri.

Mr. Rubin added that the United States had approved plans for a private

U.S. organization to help improve potato production on North Korean farms. He called the project "very modest" and said it would be monitored to ensure that the potatoes go to needy civilians and not to the North Korean military.

The Kumchangri site, about 40 kilometers (25 miles) northwest of Pyongyang, was detected last summer by U.S. satellites. Pyongyang would not reveal its purpose, though it denied there was any nuclear use.

Mr. Rubin took pains Monday to say that Washington had "no basis" to conclude that North Korea was now in violation of a 1994 agreement not to develop nuclear weaponry, but wished to ensure that no violations occurred.

See NORTH KOREA, Page 6

Gore's Test: Overcoming Public Doubts

By David S. Broder
Washington Post Service

WASHINGTON — As he begins his quest for the White House, Vice President Al Gore faces a large challenge: Most American voters want the country to continue on the path laid out by President Bill Clinton but are not convinced that Mr. Gore is the person to do it.

A new Washington Post-ABC News

poll found that the public's doubts about Mr. Gore's leadership capacity and coolness to his personality could tip the election to the Republicans. While the vice president is popular among Democrats, many voters think he is too boring or too liberal, and worry that he will not keep the economy thriving.

"I think his direction is similar to Clinton's," said Judy Sanders, a Democrat and retired fashion consultant in Marco Island, Florida. "But I think he could use some public-speaking teaching. I think he's boring. I wish he had more charisma."

A majority of the 1,515 interviewees — 56 percent — said they want a president who will keep the country moving in the direction Mr. Clinton has been taking it, rather than a new direction.

And by 68 percent to 21 percent, respondents said they think that Mr. Gore's positions on important issues are basically the same as Mr. Clinton's.

But the same sample found Mr. Gore trailing the two early leaders in polls for the Republican nomination — 13 points behind Governor George Bush of Texas and eight points behind Elizabeth Dole.

Taken between March 11 and March 14,

the poll has a margin of error of plus or minus three percentage points.

While Mr. Gore matches up well against Mr. Bush on ratings for personal character traits, he lags by 27 percentage points in the rating for strong leadership. As a result, there is much less enthusiasm about the prospect of his moving up to the Oval Office.

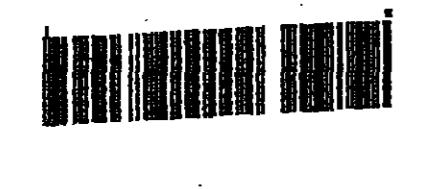
Other vice presidents have faced, and overcome, the weak leadership problem Mr. Gore now confronts. Former President George Bush lagged behind opponents when he was a vice president about to run for the top job. In a January 1988 poll, Mr. Bush, the father of the Texas governor, lagged 12 points behind then-Senator Robert Dole as a strong leader, but he defeated Mr. Dole in New Hampshire, and went on to capture the nomination. He began the general election trailing the Democratic nominee, Michael Dukakis, by eight points in leadership, and beat him handily.

Eleven months before the first delegate contests, only two out of five voters say they have enough information in leadership, and beat him handily.

See GORE, Page 6

Newsstand Prices

Country	Price
Andorra	10.00 FF
Armenia	12.50 FF
Monaco	16 DH
Cameroun	1,600 CFA
Oman	10.00 QF
Egypt	5E 5.50
France	10.00 FF
Saudi Arabia	10 SF
Gabon	1,100 CFA
Ivory Coast	1,250 CFA
Italy	3,000 Lira
Tunisia	1,250 Din
Jordan	1,250 JD
Kuwait	700 Fils
U.A.E.	10.00 Dh
Yemen	\$1.20
U.S. M.R. (Sur.)	\$1.20



AGENDA

Settlements Alter West Bank Views

From bluffs above the Palestinian territories, the vista is dotted with hilltop settlements, evidence of the ongoing and willful expansion of the Jewish presence in the West Bank.

Settlers aim to sink their roots as deeply as possible in the hope that the land they occupy now will never be turned over to the Palestinian Authority.

For months, Palestinian leaders have voiced persistent criticism. They have been joined by the U.S. Embassy and other American diplomats. Page 6.

U.S. Finds Serbs Bracing for War

WASHINGTON (Reuters) — The Yugoslav military has moved 30,000 Serbian troops into and near Kosovo and is "bracing for war," with NATO as Serb officials take part in peace talks near Paris, the Defense Department spokesman, Ken Bacon, said Tuesday.

Talks near impasse. Page 5.

Books Page 10.
Crossword Page 4.
Opinion Pages 8-9.
Sports Pages 18-19.

The Intermarket Pages 7, 9.
The IHT on-line www.iht.com

adequate turnaround plan and would require too much attention to be worth the trouble. Renault, however, had openly expressed its interest in Nissan. After Daimler ended talks, Renault's chairman, Louis Schweitzer, said he was still interested.

Renault would install three of its executives, led by Mr. Schweitzer, on Nissan's board.

But the big question for Renault is, why?

After losing about \$1 billion in 1996, Renault bounced back with a highly popular line of new cars and minivans. Last year, it earned about \$1.4 billion on \$40 billion in sales.

But Renault, in which the French government owns 44 percent of the stock, remains a smaller player in a field increasingly dominated by giants like DaimlerChrysler, Ford Motor Co. and General Motors Corp. About 85 percent of Renault's cars are sold in Europe, and most of those are in France itself. It has little presence in the United States and virtually none in Asia.

Company executives, speaking on condition of anonymity, offer several reasons for their interest in Nissan.

As Japan's second-biggest car company after Toyota Motor Corp., they argue, Nissan would give Renault a powerful presence in Asia as well as in the United States. Renault, they add,

See DEAL, Page 12

THE AMERICAS

A New Forbes Starts 2d Bid for Republican Nomination

By Terry M. Neal
Washington Post Service

WASHINGTON — The date was Oct. 21, 1997. The audience was the Heritage Foundation, bastion of conservative thought. For Steve Forbes, the wealthy publisher from New Jersey, his appearance here was a coming out of sorts.

No longer would Mr. Forbes be deflecting questions about abortion and school vouchers by returning every topic to his favorite subject, the flat tax. Instead, he had come to give a talk titled "The Moral Basis of a Free Society."

Mr. Forbes was practicing that day for his next bid for the Republican presidential nomination, after surprising and irking the party establishment with his candidacy in 1996. On Tuesday, he began his second campaign for the nomination, on the Internet and with a trip to New Hampshire, site of the first-in-the-nation primary election.

He emerged almost from nowhere in 1996, using his millions, flat-tax mantra and Washington-outsider message to make himself into a force in the Republican primaries, and in the process doing much damage to the candidate

who won the nomination, Bob Dole.

This time, political strategists say, Mr. Forbes has the potential to genuinely compete for the nomination, because he has broadened his message and because no Republican candidate other than Governor George Bush of Texas is as likely to have the financial resources to go the distance.

Mr. Forbes, 51, has hired top-notch strategists, and while he can still appear awkward and stiff, he has improved his appearance, sharpened his rhetoric and honed his speechmaking, political observers say. And this time round, voters can expect a very different candidate from the one whose robotic recital of the glories of the flat tax in 1996 carried him to victories in Delaware and Arizona but forced him to drop out after fourth-place finishes in Iowa and New Hampshire.

Mr. Forbes's last campaign failed to attract the active base of social conservatives, who disliked what they believed were vague and evasive answers on such social issues as abortion and private-school vouchers. But in the three years since then, Mr. Forbes — who once called the Christian Coalition founder, Pat Robertson, toothy flake — has recast

himself as a standard bearer of the religious right wing of the Republican Party. In the scores of speeches he has delivered since then, he has emphasized America's moral challenges as much as its economic ones.

"There's still a major vacuum out there," Mr. Forbes said in an interview on Friday.

"There's no one pushing fervently and inspirationally on the policies that we need. Without strong leadership, these things won't get done — on taxes, social security, moral issues like school choice and life."

The new Mr. Forbes was on display in January, at the annual Conservative Political Action Conference meeting in Northern Virginia, where he reiterated his support for the flat tax, abolishing the Internal Revenue Service and privatizing Social Security. Then he switched directions.

"These ideas will only take us so far without a clear message on the moral and spiritual challenges facing this country," he said. "People expect more of their leaders. The times require it. But above all, conscience demands it."

This from the man who angered religious conservatives in 1996 by proclaiming that the Christian Coalition "does not speak for most

Christians." Mr. Forbes insists that his values and positions have remained consistent. But he acknowledged that the issues he was emphasizing had evolved since 1996. Mr. Forbes said that because he entered late in the previous race as a virtual unknown, he had to make his mark with a simple, straightforward message.

He characterized his new focus as more pragmatic than political.

In 1996, Mr. Forbes had almost no grassroots organization, so he relied on a television and radio advertising campaign financed by more than \$37 million of his own money. He shot up in polls in Iowa and New Hampshire as a result of the advertising blitz. But when his opponents attacked his plan for a flat tax, the voters took a second look and Mr. Forbes's standing plummeted.

He directed much of his advertising at Mr. Dole, and many Republican leaders have never forgiven him for it. When asked whether he would use the same expensive advertising strategy this time, Mr. Forbes insisted that he had never personally attacked another Republican and that he looked "forward to a campaign with a vigorous debate on the issues, to substance, not sizzle and spin."

Mrs. Clinton's Testimony Shown

LITTLE ROCK, Arkansas — In testimony first made public Tuesday, Hillary Rodham Clinton said she had not monitored the records of the Whitewater land deal that later prompted an independent counsel investigation. "I never spent any significant time at all looking at the books and records of Whitewater," she told Kenneth Starr's prosecutors in testimony videotaped in April 1998.

Forty minutes of the tape was shown in court as part of the contempt trial of Susan McDougal, who has refused to answer prosecutors' questions about her Whitewater partnership with the Clintons, which began in 1978.

Disclosure of Mrs. Clinton's secret testimony in 1998 revives the troublesome Whitewater issue as she is considering a run for the U.S. Senate in New York.

In the videotape, Hickman Ewing Jr., a deputy to the independent counsel, showed Mrs. Clinton a \$27,600 cashier's check payable to Bill Clinton that was used to pay off a Whitewater debt. Mrs. McDougal's husband, Jim, had taken the funds from a financial institution he owned. "Did you know that that loan was being paid off by check to your husband?" Mr. Ewing asked. "I'm sorry, Mr. Ewing," Mrs. Clinton said. "I don't know anything about this."

Mr. Ewing also asked her about a \$5,081.82 check signed by Mrs. McDougal seven months after the other check. It bore the notation "pay off Clinton" and was used to pay off a portion of a loan in Bill Clinton's name. "I have never seen these documents before," Mrs. Clinton said. (AP)

Medicare Panel Set to Collapse

WASHINGTON — A year after setting out to chart a secure future for Medicare, a high-powered federal commission is so deadlocked that it was expected to collapse Tuesday when it convened for the last time — without sending any advice to Congress or the White House, according to federal sources.

Despite a frantic search for compromises in recent days, the chairman, Senator John Breaux, Democrat of Louisiana, acknowledged Monday that he had not mustered enough votes to support his vision of how to reform the national health insurance program for the elderly. (WP)

Democrats Opt for Los Angeles

LOS ANGELES — Evoking the glories and the ghost of John F. Kennedy, the Democratic National Committee has announced that it will hold its 2000 national convention here. The event was last in Los Angeles in 1960. (NYT)

Away From Politics

• Science needs to preserve laboratory specimens of the smallpox virus to make sure there is a way to make vaccines should the deadly disease ever be used as a bioterrorism weapon, according to a committee of experts in Washington. (AP)

• The Rev. Henry Lyons, president of the National Baptist Convention USA, one of the nation's largest and most influential black denominations, has resigned two weeks after he was convicted of swindling more than \$4 million. (AP)

• David Hale, a retired two-star general, accused of having affairs with wives of subordinates will face court-martial on charges of making false statements and conduct unbecoming an officer, the army said. (AP)

• Hundreds of children's lives could be saved each year if they used booster seats and seat belts more, said an expert panel that recommends strengthening seat belt laws and having children use booster seats longer. (AP)

• Four endangered Mexican gray wolves have been freed to roam the Apache-Sitgreaves National Forest in Arizona, the first of their breed released this year in efforts to restore the animals in their natural habitat. (AP)

A Great Location for Business Travellers

swissôtel ISTANBUL
THE BOSPHORUS

A Passion for Perfection

Contact your travel agent or us direct.
Phone: 90-312-520-0105 Fax: 90-312-520-0106 New York: 021-595-6556
USA-Canada: 800-537-4477 UK: 0800-634-1456 Japan: 03-3311-1855 Hong Kong: 2542-3374
www.swissotel.com Email: customerservice@swissotel.com

Simply calling home can help you embark on another journey. Of course, that's only if you use the MCI WorldCom Card, the only card that lets you earn five frequent flier miles for every dollar you spend.* Using the card also gives you access to operators who speak your language and the low rates you've come to expect from MCI WorldCom. So, enjoy your stay, and use your card to call home and other countries.

To sign up, or to get additional access codes, visit us at www.mci.com/worldphone or ask your MCI WorldCom operator to make a collect call to 1-410-314-2938.

MCI WORLDCOM

EASY TO USE WORLDWIDE

1 Just dial the WorldPhone access number of the country you're calling from.
2 Dial or give the operator your MCI WorldCom Card number.
3 Dial or give the number you're calling.

Belgium (CC) • 0-800-10012 # Netherlands (CC) • 0800-022-9122

France (CC) • 0-800-99-0019 # Spain (CC) 900-99-0014

Germany (CC) 0800-888-8000 # Switzerland (CC) • 0800-89-0222

Ireland (CC) 1-800-55-1001 # United Kingdom (CC) 0800-89-0222

Israel (CC) 1-800-940-2727 To call using BT ■ 0800-89-0222

Italy (CC) • 172-1022 To call using CWC ■ 0500-89-0222

Journeys end, but miles follow you home



EARN FREQUENT FLYER MILES

AmericanAirlines
Advertisement

Continental Airlines
OnePass

SKYMILES

MILEAGE PLUS
United Airlines

DEPARTURE
SIXTYTHREE AIRLINES

© AmericanAirlines, Inc. 1998. All rights reserved. AmericanAirlines, the AmericanAirlines logo, OnePass, SKYMILES, Mileage Plus, and SixtyThree Airlines are trademarks of AmericanAirlines, Inc. MCI WorldCom, Inc. and its affiliated companies are trademarks of MCI WORLDCOM, Inc. U.S. cellular telephone, cell, cellular and telephone, All airline names and logos are proprietary marks of the respective air carriers. All airline program rules and conditions apply.

ASIA/PACIFIC

Fight Over Genetically Altered Food Is Bound to Have Worldwide FalloutBy Sonni Efron
Los Angeles Times Service

TOKYO — The video whirs, and an American food exporter's nightmare rolls across the screen. A potato bug is shown munching on the deep green leaf of a potato plant — genetically engineered in the United States, the narrator says, to produce toxin that kills Colorado potato bug larvae. The bug falls off the leaf, flailing its legs in the air in what looks like insect agony.

"They say this is eat, but I don't want to eat it. Do you?" asks the filmmaker, Junichi Kowaka, in an imbalance.

Surveys show that most Japanese do not. In this land where food is considered most delicious when eaten raw or as close to its natural state as possible, genetically manipulated food is seen as synthetic, unwholesome and definitely unappealing.

To blunt a nascent consumer rebellion, the Japanese government has proposed labeling bioengineered food to give consumers the freedom to reject it. That in turn has alarmed the United States, which fears that the move could threaten its \$11 billion annual sales to Japan, the No. 1 market for U.S. agricultural exports.

Beyond Japan, a truly global food fight is under way. The outcome of the regulatory, marketing and public perception battle that has been joined in Japan could have far-reaching effects on what U.S. farmers plant next year, on the skyrocketing U.S.-Japan trade imbalance and on the worldwide struggle between biofood promoters and foes.

At issue in the emotional political debate is how much to regulate and whether and how to label genetically modified organisms, known in biotech speak as GMOs.

These organisms are created when new genes — sometimes from another species — are introduced into a plant or animal to produce desirable traits, such as resistance to cold, pests, disease, spoilage or even a particular brand of herbicide.

While U.S. farmers are quickly increasing the acreage planted with GMO seeds — to 40 percent or more of some crops — there is growing opposition in Europe, Japan and in some Third World countries on environmental, health, philosophical or religious grounds. The European Union has slapped restrictions on genetically modified plants and passed a law requiring GMO foods to be labeled.

Well-organized environmental groups are crusading against what they have branded "Frankenstein food," fanning doubts about the products from Iceland to New Zealand. Anti-GMO

protests have been staged in the Philippines, India and Hungary, according to activists who are flooding the Internet with virulent attacks on biofoods.

Not all countries are hostile to foods altered by gene-splicing. GMO seeds reportedly have received a warm welcome in Russia, China and Argentina. And plenty of consumers have nothing against GMO foods so long as they know what is on the menu.

A 1994 poll in Australia, for example, found that 61 percent were happy to try GMO foods, but 89 percent wanted them labeled. Australia and New Zealand are now trying to set up a common labeling system. Prime Minister Jenny Shipley of New Zealand said earlier this month that consumers have a right to know whether their food contains GMOS.

Nevertheless, a heated battle broke out last month at a UN-sponsored conference in Cartagena, Colombia, where

delegates from more than 130 countries failed to agree on an international treaty to govern biosafety and trade in GMOs.

The U.S. government warned that the restrictions being debated in Cartagena had been exhaustively tested and demonstrated to be safe enough to pass muster with the U.S. Food and Drug Administration and the Environmental Protection Agency, as well as international regulators.

Foes assert that long-term studies on the effects of eating GMO foods have been inadequate. They question the environmental risks of developing pest-resistant or chemical-resistant crops, and they fear that bionic organisms could crowd out native species.

A subtlety in many countries is suspicion of scientific "miracles," new technologies and imperfect regulators, and the perception that the U.S. biotech industry has been heavy-handed in trying to shove new foods down frightened consumers' throats, said Beth Burrows, president of the nonprofit Edmonds Institute in Edmonds, Washington, who attended the Cartagena conference.

In Japan, the credibility of the Ministry of Health and Welfare was severely damaged by the 1996 revelation that its bureaucrats had knowingly allowed the sale of HIV-tainted blood products — a scandal that broke the same year that the ministry approved the first of 22 GMO crops for human consumption here.

Availability of GMO foods in Japan has not led to acceptance.

More than 80 percent of those questioned in a 1997 government survey said they had "reservations" about such foods, and 92.5 percent favored mandatory labeling.

Unease is beginning to translate into action.

The city of Fujisawa, near Tokyo, has banned all GMO foodstuffs from its school lunches. A tofu maker has begun advertising its product as "recombinant-DNA-soybean free." And a number of powerful food-buying co-ops — which claim nearly 20 million members, or about 1 in every 6 Japanese — are trying to screen out or label GMO foods.

Western donors hope the bus service will be another step in improving relations between the two countries, which have fought three wars since Pakistan was formed from the partition of India after it gained independence from Britain in 1947.

Mr. Vajpayee and Prime Minister Nawaz Sharif of Pakistan agreed in their "Lahore Declaration" to work toward better relations and to resolve their dispute over Kashmir, the divided Himalayan region over which two of their wars were fought.

Beijing Urges EU to Avoid New Disputes Over Rights

Reuters

BEIJING — China urged the European Union on Tuesday to avoid disputes over the issue of human rights as Beijing worked to sidestep censure at a session of the UN Human Rights Commission in Geneva next week.

Responding to questions about a visiting European rights delegation, Sun Yuxi, a Foreign Ministry spokesman, admitted the two sides had a history of strife over China's treatment of dissidents. But he said difficulties had ended.

"This issue used to be a serious obstacle disrupting ties," Mr. Sun said at a regular briefing.

He urged the EU to continue "valuing the good momentum in the field of human rights and not revert to confrontation."

A visiting three-member team of diplomats from Austria, Germany and Finland met the Foreign Ministry officials Wang Yingfan and Li Baodong for the fifth round of an EU dialogue with China on human rights.

Mr. Sun refused to provide details of the talks, but diplomats in Beijing said the discussions were expected to set the tone for the annual Geneva forum and help Europe decide whether to sponsor a resolution critical of the Chinese record. "All options remain open," said a Western diplomat close to the EU delegation.

In recent years, China has released from prison and forced into exile several opposition activists, including the country's best known dissident, Wei Jing-sheng, and Wang Dan, the former student leader.

But a roundup of almost all leading members of the outlawed opposition China Democracy Party since late last year has sparked calls for an anti-Beijing resolution at the six-week Geneva session, scheduled to begin Monday.

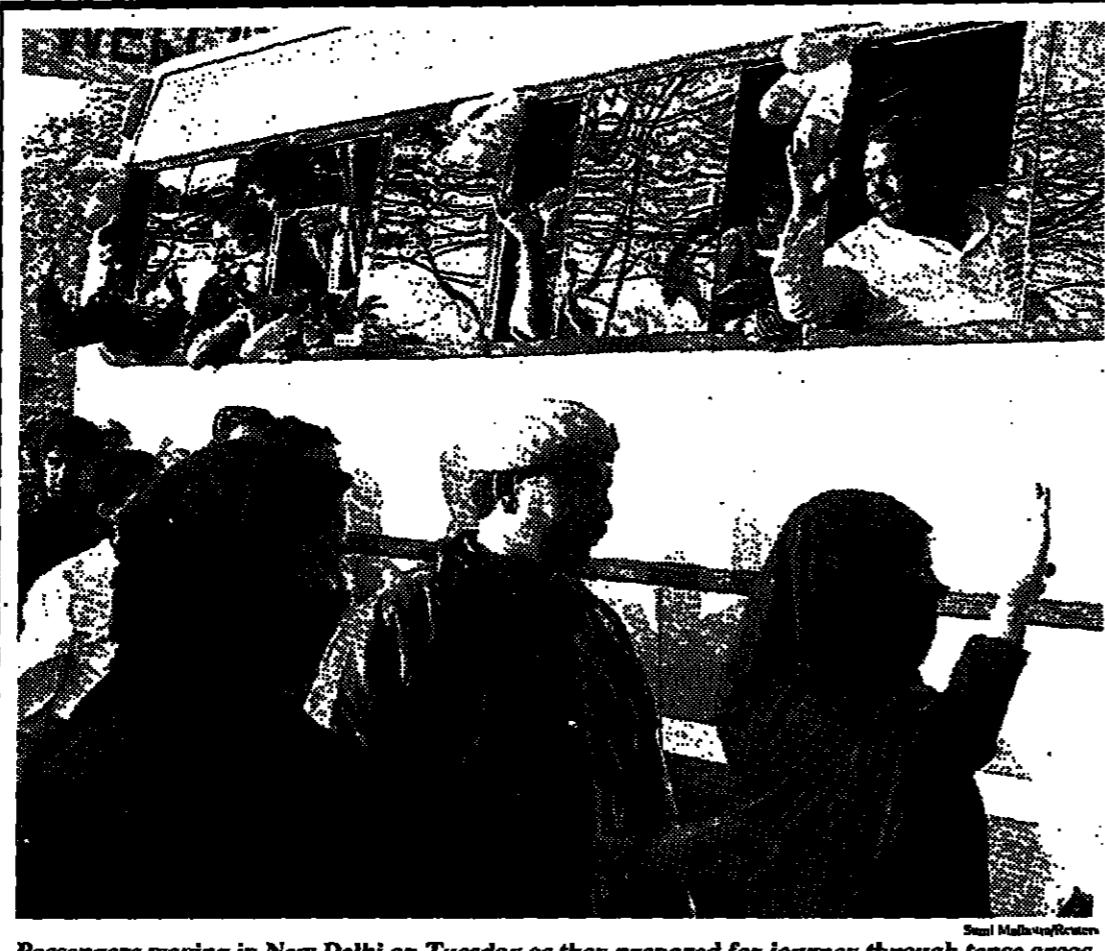
In the United States, both houses of Congress have voted unanimously for a resolution condemning China, and Secretary of State Madeleine Albright issued a warning to China over its deteriorating record during a visit there this month.

After leaving Beijing early Wednesday, the delegates will brief their governments in time for EU foreign ministers to meet and flesh out their Geneva strategy, the Western diplomat said.

On Sunday, Foreign Minister Tang Jiaxuan of China said any attempt by Western countries to pass a resolution critical of Beijing would fail.

Premier Zhu Rongji defended China's rights record Monday, saying its Parliament had passed many laws to strengthen the protection of basic human rights. He also admitted that China's record was not perfect.

"We welcome foreign friends to criticize our work," Mr. Zhu said, adding that it was "impossible not to have shortcomings."



Passengers waving in New Delhi on Tuesday as they prepared for journey through tense areas.

Pakistan-India Bus Carries Peace Hopes

Reuters

NEW DELHI — The first commercial bus to travel between Pakistan and India in more than half a century arrived here Tuesday night.

A crowd of Indian Muslim well-wishers clustered around the gates of the bus terminal with garlands for the 20 passengers, and bus officials passed around cold drinks and bouquets of roses.

The service was inaugurated Feb. 20 by Prime Minister Atal Behari Vajpayee of India during a cross-border visit aimed at putting relations between the two nations on a better footing after both conducted nuclear tests last May.

Two Pakistani soldiers sat on the bus on the hour-long drive to the Wagah border crossing and were replaced by Indian soldiers for the rest of the 10-hour trip to New Delhi.

A bus bound for Lahore with 29 passengers and 2 security personnel left New Delhi on Tuesday morning.

The bus is a luxury service by the standards of the subcontinent, with videos, music and television as well as meals provided en route. Passengers paid 950 rupees (about \$19) for a one-way ticket.

Western donors hope the bus service will be another step in improving relations between the two countries, which have fought three wars since Pakistan was formed from the partition of India after it gained independence from Britain in 1947.

Mr. Vajpayee and Prime Minister Nawaz Sharif of Pakistan agreed in their "Lahore Declaration" to work toward better relations and to resolve their dispute over Kashmir, the divided Himalayan region over which two of their wars were fought.

BRIEFLY**Indonesia City Is Hit By Fire Amid Strike**

AMBON, Indonesia — Security forces fired warning shots on Tuesday to disperse crowds that gathered after a fire broke out in this riot-torn eastern Indonesian city.

The fire was near the Al-Fatah mosque, which was sheltering 3,750 Muslims who had fled religious riots. The cause of the fire, which spread through 10 houses, was not immediately known.

Thais Arrest Suspect In Australian's Death

BANGKOK — Thai police arrested a man on Tuesday who is suspected of involvement in the murder of an Australian executive and said they had issued arrest warrants for three other people.

Police in the central province of Nakhon Sawan, where Michael Wansley was killed last week, said they had arrested Chalong Pienpong on suspicion of being the gunman or the driver of a motorcycle used in the attack. Two of the suspects work for the ailing sugar refining company that the victim, a senior accountant, was helping restructure.

Police said that Mr. Chalong denied being involved in the murder.

UN Report Finds Abuse in Burma

GENEVA — Forced labor, beatings, torture and confiscation of land are widespread in Burma, and abuses are getting worse, according to a UN report.

In his report to the UN Human Rights Commission, released Monday, an investigator said the government continued to intimidate its citizens and block free association and expression.

The investigator visited displaced people in Thailand and said people had been driven from their land and made to do unpaid work for soldiers.

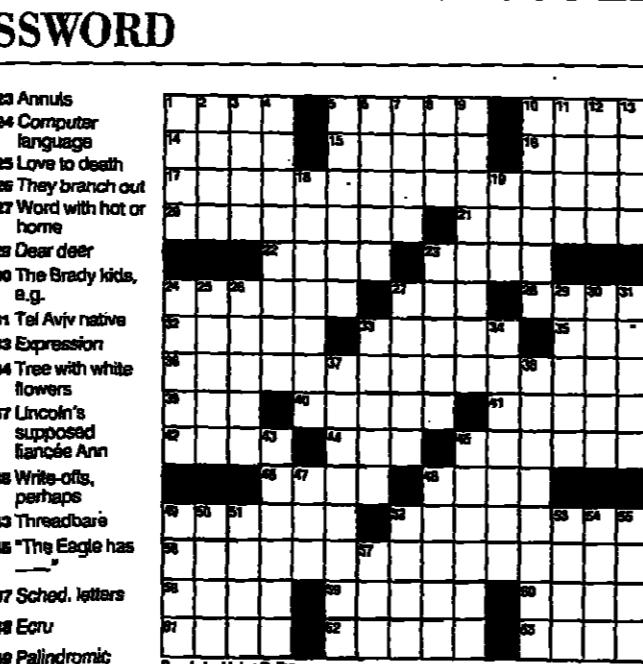
Vatican Is Discussing Ties With Vietnam

HANOI — A high-level Vatican delegation is in Vietnam to pursue establishment of diplomatic relations and approval for a visit by Pope John Paul II.

While relations between Hanoi and the Roman Catholic Church appeared to thaw slightly last year, it remains far from certain that the Communist government will offer an invitation.

Suicide Bomber Kills 3 Outside Colombo

COLOMBO — A suicide bomber attacked just outside the Sri Lankan capital during the rush hour Tuesday night, killing three people and wounding at least 10, the police said. The explosion was near a police station in Mount Lavinia, the police said.

CROSSWORD

FOR INVESTMENT INFORMATION
Read THE MONEY REPORT every Saturday in the IHT.

ACROSS

- 1 Castoff from an ice shelf
- 2 Kind of pad
- 10 NBA, M.V.P., 1994-95
- 14 United Steelworkers leader I.W. —
- 15 McGuire blast
- 16 Fad item of 1961
- 17 Basketball's Archibald injured the Dalai Lama, palindromically
- 20 Irrigated by water many changes take place
- 21 "Ain't you hot stuff!"

22 Sci. course

- 23 Exceedingly shiny on top?
- 24 Soprano Mana Wharf
- 25 Subsidies
- 26 Disgrace
- 27 Coach
- 28 Parseghian Assail notes dressed in gray, palindromically
- 29 Sphere
- 30 Business types
- 31 Small drum
- 32 Discouraged by Dam site
- 33 "Well, —"
- 34 Spheres
- 35 "I'm not hot stuff!"
- 36 Deadly poison
- 37 Israel's Abba
- 38 No longer working: Abbv.
- 39 Happy chorus?
- 40 Happy counties
- 41 "What a sham your footwear is missing," palindromically
- 42 Vampire's hideout
- 43 Measure
- 44 Track event
- 45 Mind
- 46 Finished
- 47 "For heaven's —!"
- 48 Sched. letters
- 49 Ecru
- 50 Palindromic comic dog
- 51 Diary of — Housewife?
- 52 Caught up with Bargain hunter's delight
- 53 So long!
- 54 One who's home on the range?
- 55 Popular vacation locale
- 56 Ade. e.g.

46 Control spot

- 57 Annuls
- 58 Computer language
- 59 Love to death
- 60 They branch out
- 61 Word with hot or cold
- 62 Dear
- 63 The Brady kids, a.g.
- 64 Assail notes, dressed in gray, palindromically
- 65 Vampire's hideout
- 66 Measure
- 67 Track event
- 68 "For heaven's —!"
- 69 Ecru
- 70 Palindromic comic dog
- 71 Diary of — Housewife?
- 72 Caught up with Bargain hunter's delight
- 73 So long!
- 74 One who's home on the range?
- 75 Popular vacation locale
- 76 Ade. e.g.

77 Petty cash in London

- 78 What a sham your footwear is missing," palindromically
- 79 Dear
- 80 The Brady kids, a.g.
- 81 Word with hot or cold
- 82 Dear
- 83 The Brady kids, a.g.
- 84 Assail notes, dressed in gray, palindromically
- 85 Vampire's hideout
- 86 Measure
- 87 Track event
- 88 "For heaven's —!"
- 89 Ecru
- 90 Palindromic comic dog
- 91 Diary of — Housewife?
- 92 Caught up with Bargain hunter's delight
- 93 So long!
- 94 One who's home on the range?
- 95 Popular vacation locale
- 96 Ade. e.g.

97 Petty cash in London

- 98 Petty cash in London
- 99 Dear
- 100 Word with hot or cold
- 101 Dear
- 102 Word with hot or cold
- 103 Dear
- 104 Word with hot or cold
- 105 Dear
- 106 Word with hot or cold
- 107 Dear
- 108 Word with hot or cold
- 109 Dear
- 110 Word with hot or cold
- 111 Dear
- 112 Word with hot or cold
- 113 Dear
- 114 Word with hot or cold
- 115 Dear
- 116 Word with hot or cold
- 117 Dear
- 118 Word with hot or cold
- 119 Dear
- 120 Word with hot or cold
- 121 Dear
- 122 Word with hot or cold
- 123 Dear
- 124 Word with hot or cold
- 125 Dear
- 126 Word with hot or cold
- 127 Dear
- 128 Word with hot or cold
- 129 Dear
- 130 Word with hot or cold
- 131 Dear
- 132 Word with hot or cold
- 133 Dear
- 134 Word with hot or cold
- 135 Dear
- 136 Word with hot or cold
- 137 Dear
- 138 Word with hot or cold
- 139 Dear
- 140 Word with hot or cold
- 141 Dear
- 142 Word with hot or cold
- 143 Dear
- 144 Word with hot or cold
- 145 Dear
- 146 Word with hot or cold
- 147 Dear
- 148 Word with hot or cold
- 149 Dear
- 150 Word with hot or cold
- 151 Dear
- 152 Word with hot or cold
- 153 Dear
- 154 Word with hot or cold
- 155 Dear
- 156 Word with hot or cold
- 157 Dear
- 158 Word with hot or cold
- 159 Dear
- 160 Word with hot or cold
- 161 Dear
- 162 Word with hot or cold
- 163 Dear
- 164 Word with hot or cold
- 165 Dear
- 166 Word with hot or cold
- 167 Dear
- 168 Word with hot or cold
- 169 Dear
- 170 Word with hot or cold
- 171 Dear
- 172 Word with hot or cold
- 173 Dear
- 174 Word with hot or cold
- 175 Dear
- 176 Word with hot or cold
- 177 Dear
- 178 Word with hot or cold
- 179 Dear
- 180 Word with hot or cold
- 181 Dear
- 182 Word with hot or cold
- 183 Dear
- 184 Word with hot or cold
- 185 Dear
- 186 Word with hot or cold
- 187 Dear
- 188 Word with hot or cold
- 189 Dear
- 190 Word with hot or cold
- 191 Dear
- 192 Word with hot or cold
- 193 Dear
- 194 Word with hot or cold
- 195 Dear
- 196 Word with hot or cold
- 197 Dear
- 198 Word with hot or cold
- 199 Dear
- 200 Word with hot or cold
- 201 Dear
- 202 Word with hot or cold
- 203 Dear
- 204 Word with hot or cold
- 205 Dear
- 206 Word with hot or cold
- 207 Dear
- 208 Word with hot or cold
- 209 Dear
- 210 Word with hot or cold
- 211 Dear
- 212 Word with hot or cold
- 213 Dear
- 214 Word with hot or cold
- 215 Dear
- 216 Word with hot or cold
- 217 Dear
- 21

EUROPE

'The Moment of Truth' Is Near, Serbs Are Told

By Craig R. Whitney
New York Times Service

PARIS — Talks aimed at ending fighting in the Serbian province of Kosovo approached impasse Tuesday, with Serbian negotiators refusing to accept a NATO peacekeeping force and insisting on extensive changes to an autonomy agreement that they had accepted last month.

"We shall sign the political agreement if they accept our suggestions," said Milan Milutinovic, the Serbian president, on emerging Tuesday afternoon from the French conference center where the talks had resumed Monday, a former hotel that was the German occupation headquarters during World War II.

But international mediators rejected any substantive changes. Foreign Minister Hubert Vedrine of France, co-chairing the talks with Foreign Secretary Robin Cook of Britain, accused the Serbs of backtracking and warned: "The

moment of truth is not far away." The NATO allies have threatened to bomb Serb military targets if President Slobodan Milosevic of Yugoslavia, Serbia's real leader, accepts the agreement. The Kosovo-Albanian delegation to the talks said Monday it was prepared to sign the accord as negotiated in the first phase of the talks last month in the French castle of Rambouillet.

Though the Albanians reacted warily when the international mediators said they were willing to make "technical adjustments" to the agreement to get the Serbs to sign, and though some Albanian commanders in Kosovo are threatening to keep fighting for independence, the main problem here is now the Serbs.

"They are today going back on certain aspects they appeared to have accepted at the end of the Rambouillet negotiations, and they still totally refuse civil and above all military guarantees on the ground," Mr. Vedrine said of the Serb side in a report to the French Parliament Tuesday afternoon.

Another official close to the talks said the Serbs had demanded changes in up to 70 percent of the agreement, which would provide political autonomy to the largely ethnic Albanian majority population of Kosovo and commit up to 28,000 NATO peacekeepers for a three-year transition period. Alliance officials discussed peacekeeping arrangements with the Albanian delegates Tuesday morning.

"We will come back and continue trying to get engagement going Wednesday," said Philip Reeker, the chief spokesman for the talks.

The negotiators, with the full agreement of the contact group, have reminded the Serb delegation and Mr. Milutinovic that only technical adjustments could be considered, and that the purpose of this meeting is simply to discuss implementation," he said.

But the United States, Britain, France, Germany, Italy and Russia, the six "Contact Group" countries that convened the talks, have shown signs of disunity this week on the peacekeeping force, which would be largely European and commanded by a British general, with 4,000 U.S. troops in a backup role.

The five Western countries, all NATO allies, have insisted that no settlement would mean anything without armed peacekeepers to enforce it. But French officials have indicated that the peacekeepers might not necessarily have to be an integral part of NATO, and Russian officials in Brussels have said Russian soldiers would only participate if a Russian general shared command.

According to an official who had seen the Serb proposals, Mr. Milosevic would not accept provisions allowing the ethnic Albanians to form their own police force from former independence fighters.

Nor would the Serb proposals accept the draft's guarantee of a return to their original homes of the more than 200,000 people displaced by a year of violent clashes, this official said, and it would eliminate any possibility for the international criminal tribunal in The Hague to investigate war crimes.

Paradoxically, their position could solidify the contact group," an official said. "Nobody can say the Serbs are being reasonable and just want minor changes."

■ Yugoslav Tanks Enter Kosovo

The Yugoslav Army moved at least eight M-84 battle tanks into Kosovo on Tuesday, the first time Belgrade has sent the modern armored weapon to the region since last October, at least, Reuters reported from Pristina, Yugoslavia.

Seven of the M-84s, an advanced Yugoslav-developed variant of the former Soviet bloc's standard T-72 battle tank, arrived by train in the northern Kosovo town of Mitrovica on Tuesday from elsewhere in Serbia, international trade monitors said. "This is new," a press officer with the Organization for Security and Cooperation in Europe said.

"We've not seen this type of tank in Kosovo in the lifetime of our mission."

The draft bill sent to Mr. Yeltsin on Tuesday also stipulates that the treaty would be invalidated if the United States pulled out of the 1972 Anti-Ballistic Missile Treaty or deployed nuclear weapons on the territory of the former Soviet bloc countries that join NATO.

Three former Warsaw Pact satellites — Poland, Hungary and the Czech Republic — became full members of the Western alliance Friday.

Mr. Yeltsin's office expressed relief that the Duma had finally shown some movement on the treaty.



Riot policemen arresting a female student near Istanbul University on Tuesday. About 100 students who had gathered to honor leftists killed in a 1978 bombing were detained as security was tightened citywide.

Russians Give Arms Treaty Another Shot

By David Hoffman
Washington Post Service

MOSCOW — Days before heading to Washington for talks on refinancing Russia's debt to the West, Prime Minister Yevgeny Primakov publicly appealed to the lower house of Parliament on Tuesday to ratify the long-delayed START-2 strategic arms treaty.

At the same time, leading members of the State Duma took a procedural step toward bringing the treaty to the floor by submitting draft legislation to President Boris Yeltsin. The next step is for Mr. Yeltsin to scrutinize the draft and, if he approves, send it back for consideration.

The renewed interest in the treaty — signed by Presidents George Bush and Mr. Yeltsin in 1993, ratified by the U.S. Senate in 1996 but languishing in the Duma for years — appeared to be a prelude to Mr. Primakov's visit to Washington for talks with the Clinton administration and the International Monetary Fund.

Although Mr. Primakov has said the fate of the treaty is not linked to Western financial aid, his appearance on television Tuesday night, along with one of Russia's top missile designers and a military leader, seemed designed to push the treaty toward ratification.

Mr. Primakov leaves Sunday for Washington, where he is seeking financial assistance to roll over Russia's \$4.8 billion debt to the IMF.

Gennadi Seleznyov, the speaker of the lower house, told reporters that debates on the treaty could begin before Mr. Primakov's departure.

Such predictions, however, have often been dashed. The START-2 treaty would reduce both U.S. and Russian nuclear arsenals to 3,000 to 3,500 warheads each; the countries have agreed that, after ratification, they will immediately begin negotiating a START-3 treaty toward a goal of 2,000 to 2,500 warheads each.

The draft bill sent to Mr. Yeltsin on Tuesday also stipulates that the treaty would be invalidated if the United States pulled out of the 1972 Anti-Ballistic Missile Treaty or deployed nuclear weapons on the territory of the former Soviet bloc countries that join NATO.

Three former Warsaw Pact satellites — Poland, Hungary and the Czech Republic — became full members of the Western alliance Friday.

Mr. Yeltsin's office expressed relief that the Duma had finally shown some movement on the treaty.

As Charges Are Dropped, Italy Asks Why

The Associated Press

ROME — Italians appeared resigned Tuesday to the prospect that no American will face severe consequences for the ski gondola accident that claimed 20 lives last year, after most charges against a U.S. Marine crewman were dropped.

Military officials in North Carolina announced Monday that, in view of the court-martial acquittal of the pilot earlier in the month, it was "unreasonable" to go ahead with charges of involuntary manslaughter and negligent homicide against the navigator of the low-flying jet, which sliced a gondola cable last year at an Italian ski resort.

The cable car was sent slamming into Mount Cermis, killing all aboard.

An Italian Defense Ministry official, Massimo Brutti, said in a radio interview that he had expected the Marines to drop the charges. But "someone has to be responsible," Mr. Brutti said. "We will wait for the investigation to end and for those responsible to be pursued."

"Cennis, case closed," read the front-page headline in the daily La Repubblica over its account from the United States, which began: "For American military justice, the tragedy of Cermis doesn't have any guilty parties."

RAI state radio said with the latest development the cable car affair was "growing ever more shameful."

"There are no longer any guilty for Cennis," said the leftist daily Unità.

At this point, only lesser charges, related to accusations of obstruction of justice, are left standing against both the pilot and the navigator.

On March 4, Italians criticized the pilot's acquittal on 20 counts of involuntary manslaughter.

Prime Minister Massimo D'Alema, who discussed the acquittal with President Bill Clinton in Washington, called the decision "shameful," and warned that the NATO treaty governing the presence of U.S. bases in Italy would be reviewed if no one was found guilty and punished for the cable car crash.

Italian prosecutors are still investigating the conduct of Italian military officials in connection with the tragedy.

■ Airmen Face 2nd Court-Martial

Matthew L. Wald of The New York Times reported earlier:

While the Marine Corps dropped charges of manslaughter and homicide against the pilot and navigator, it will court-martial them on charges of obstruction of justice.

The pilot, Captain Richard Ashby, 31, had testified at his earlier court-martial trial that he lent his home video camera to the navigator, Captain Joseph Schweitzer, who used it to tape an early portion of the flight, before their jet severed the cable of a gondola car at Mount Cermis.

The obstruction charge, which carries a sentence of up to one year, is the last remaining count that could result in punishment for any Marine officer involved in the accident.

The squadron commander has been relieved of command and the squadron safety director has had a letter of reprimand inserted in his record.

The obstruction charge was filed after one of two crew members in the rear cockpit, who was granted immunity, told prosecutors about the tape.

Captain Ashby said at his trial that Captain Schweitzer had tried to use the camera at the beginning of the flight, before it began its low-level training.

Ulster Seeks FBI Aid on Slain Lawyer

By James F. Clarity
New York Times Service

DUBLIN — The Northern Ireland police chief said Tuesday that an independent police official from the British mainland and the Federal Bureau of Investigation of the United States would investigate whether there was police collusion in the killing on Monday of a prominent Roman Catholic human rights lawyer.

The lawyer, Rosemary Nelson, 40, was killed in Lurgan, about 30 miles (about 50 kilometers) southwest of Belfast, by a car bomb placed by a Protestant splinter group, the Red Hand Defenders. The group is dedicated to destroying the peace agreement approved 10 months ago to end 30 years of sectarian violence

in the British province.

The overwhelmingly Roman Catholic Irish Republican Army and the main Protestant paramilitary groups have been holding a cease-fire while their political representatives try to make the agreement final by this Easter. Their work has been stalled by a dispute over disarmament of the paramilitary groups, particularly the IRA.

The chief constable of the Royal Ulster Constabulary, Ronnie Flanagan, said on Irish national radio that the police chief David Phillips, of Kent County, England, and investigators from the FBI would work on the case, including allegations that the Northern Ireland police had themselves threatened Ms. Nelson.

"There is no evidence to substantiate collusion," Mr. Flanagan said. "There

is no doubt about the professionalism" of the northern police force. Officials of Sinn Fein, the political wing of the IRA, responded immediately that one British policeman could not be trusted to investigate honestly the operations of another. They did not mention the FBI nor did Mr. Flanagan give details about the size of the American unit he expected to visit the North.

After the killing in the town of Lurgan, west of Belfast, there were disorders in Catholic areas. But the North was quiet Tuesday and political officials and the police said it did not appear that there would be more violent reaction.

Ms. Nelson was a leading advocate of Catholics accused of terrorist offenses by the British government. Most of them have been released.

BRIEFLY

U.S. Searches for Crash Victims

PORTE-AU-PRINCE, Haiti — U.S. Coast Guard crews worked Tuesday to recover the bodies of 13 people who perished in a UN helicopter crash in the mountainous terrain north of Port-au-Prince.

The helicopter, carrying six Argentines, six Russians, and one American, crashed Sunday night.

The American was identified as retired Brigadier General Erol Van Eaton of the Oregon-based International Charter Inc., which loaned two Russian helicopters to the United Nations for its mission in Haiti. (Reuters)

Clinton Calls on Cuba to Free 4

WASHINGTON — President Bill Clinton has denounced Cuba for giving jail sentences to four well-known dissidents and appealed for their immediate release.

In a brief written statement, Mr. Clinton said he was "deeply disappointed" that the Cuban government had sentenced the activists, convicted of inciting sedition, to prison terms. "They were tried without fair process, behind closed doors," he said. "I call on the Cuban government to release them immediately." (Reuters)

Iraqi Hajj Plane Defies Flight Ban

The Associated Press

BAGHDAD — Iraq took advantage of the annual Muslim pilgrimage to Mecca to violate United Nations sanctions Tuesday by flying 110 pilgrims to Saudi Arabia.

An Iraqi cargo plane took off from the Rasheed air base, south of Baghdad, and landed a few hours later in Jidda, the Saudi entry point for pilgrims going to Mecca.

"We have not contacted anybody for approval," Rabi Mohammed, director-general of Iraqi Airways, told the official press agency, INA.

UN sanctions imposed after Iraq's 1990 invasion of Kuwait bar direct flights to and from Iraq. Various requests by Baghdad for exemptions from the ban have been denied.

Iraq will fly at least two more planeloads of pilgrims to Saudi Arabia during the hajj this year, said Abdul Munim Ahmed Saleh, minister of endowment and religious affairs, who was aboard the flight Tuesday.

The government was clearly proud of the flight — the second time in two years it has broken UN sanctions for the hajj. Baghdad invited foreign reporters and television crews to

cover the takeoff. State-run radio and television interrupted programming to say that the first batch of Iraqi pilgrims had left for Mecca.

Many of the 110 pilgrims, who were mostly elderly people and included 33 women, knelt down on the tarmac to pray before boarding the flight.

The passengers sat facing each other on benches fixed to the sides of the Russian-made IL-76 plane.

"We get into this plane and our message is that the world should listen to us and understand our problem," said a passenger, Hassan Osman, 62.

In April 1997, Iraq flew 104 pilgrims to Saudi Arabia, also on an IL-76. That plane returned the same day. The UN Security Council responded to that flight by issuing a mild statement that called on Baghdad to obtain permission for such flights in the future.

Only a few Iraqis can afford to pay the \$1,500 minimum cost of performing the pilgrimage to Mecca. About 4,000 are scheduled to make the trip this year, and most of them will travel overland by bus.

U.S. Planes Bomb Iraqi Artillery Sites in North

Reuters

ISTANBUL — U.S. planes bombed Iraqi artillery sites in the northern no-flight zone Tuesday after having been tracked by Iraqi radar, a spokesman at the jets' base in southern Turkey said.

In Baghdad, an Iraqi military spokesman said Western planes attacked civilian and military sites in the north of Iraq, but that Iraqi air defenses engaged in fighting with the attacking planes and forced them to flee.

The spokesman in Turkey said U.S. F-15s

Strike Eagle planes dropped GBU-12 laser-guided bombs in self-defense on several anti-aircraft artillery sites northwest of Mosul.

Such strikes have become regular since December when Baghdad began actively opposing U.S. and British jets which patrol the Western-imposed no-flight zones in the north and south of Iraq.

Iraq said one civilian was injured in a Western attack Monday on a site in the southern no-flight zone. U.S. and British authorities have repeatedly denied attacking civilian targets.

State of Alert in Istanbul

Security Stepped Up After Terrorist Attacks

The Associated Press

ISTANBUL — Authorities blamed Kurdish rebels for the recent wave of terrorist attacks against civilians and declared a state of alert in Istanbul on Tuesday.

Extra police vehicles were stationed near tourist sites, including the Topkapi Palace, the Blue Mosque and the Grand Bazaar, and security checks at the entrance to the sites were tightened.

After days of investigation, the local governor, Erol Cakir, blamed rebels angry over the capture last month of the Kurdish guerrilla leader Abdullah Ocalan for the string of recent attacks.

Mr. Cakir ordered a range of new security measures, including new metal detectors for stores, shopping malls, factories, hotels, business centers, cafes, bars, restaurants, transportation facilities, stadiums and parking lots.

Managers of large public venues were ordered to hire extra security guards and ensure adequate fire escapes and exits.

"We have to remain calm and take necessary measures with care," the governor told a news conference.

The disgruntled deputies split from their party ranks after being excluded from party lists for the April 18 elections, transforming the parliamentary arithmetic that brought Prime Minister Bulent Ecevit to power with a mandate to govern until elections.

BRIEFLY

12 in Holland Die From Legionnaires'

AMSTERDAM — An outbreak of lethal Legionnaires' disease at a Dutch flower show claimed the life of three more victims Tuesday, raising the death toll to 12, the health ministry said.

INTERNATIONAL

Trademark Traits Bring Cresson's Career to Close

By Joseph Fitchett
International Herald Tribune

PARIS — Taking up a sought-after appointment on the European Commission in Brussels four years ago, Edith Cresson seemed to put a safe distance between herself and her image from early in the decade as a headstrong politician with a knack for insulting remarks, including slurs against Britain and Japan when she was France's first female prime minister.

EU: Commission Resigns

Continued from Page 1

Several leaders welcomed the commission's resignation as a chance to reform European institutions, and "begin with a clean slate," as Prime Minister Wim Kok of the Netherlands put it.

Mr. Santer said neither he nor any of the commissioners had personally benefited from fraud or corruption, and bitterly criticized the 144-page report. He said it had discredited four years of hard work under his command, and had ignored efforts he had made to reform the commission and root out corruption.

He said the report had naked over old facts and then had added a political assessment that did not conform with those facts.

But that assessment was scathing. It drew a picture of a commission utterly out of touch and out of control. Of the commissioners, who are responsible for initiating EU legislation and safeguarding observance of EU treaties, the report said it had become difficult to "to find anyone who has even the slightest sense of responsibility."

The committee of experts had kept its investigations a close secret, and the conclusion came as a shattering surprise to the commission, who spent hours debating their reaction before deciding to hand in their resignations.

Until recently, Mr. Santer was reported hopeful that the committee, which was set up in January with the European parliament, would exonerate the commission from the charges of graft, corruption and cronyism that have hung over it since long before it took office. But it did the opposite, and Mr. Santer said the commission was left with no choice but to comply with his earlier promise that the leadership would "assume the consequences" of a negative report.

Never before has even one commissioner had to step down.

Pauline Green, the leader of the powerful Socialist group in the Parliament, said the commission had done "the honorable thing," and that in stepping down it was finally acting with "some dignity and integrity."

Mr. Kinnock, the commissioner in charge of transport, said "We made a clean break," and said the commissioners had mitigated the damage that would have occurred had the commission decided to soldier on in the face of parliamentary opposition and public hostility.

There was clearly some resistance to the decision to resign en masse. Karel van Miert, the Belgian commissioner in charge of antitrust policy, said, "They act as if everything here went wrong," adding, "the departments that worked well have not been discussed or commissioners contacted so it is unfair to pretend that everything here just failed, that is wrong."

Mr. Santer described himself as "whiter than white," and when asked if he had done anything with which he could reproach himself, he replied angrily, "perhaps to resign."

The report flayed the commission for lack of accountability, lack of openness and a strategy of cover-up. It acknowledged that the commission had been given many new challenges to deal with in recent years, but had not taken the correct political steps to ensure it had adequate resources to handle these programs. Instead, it handed many of them over to outside contractors and then failed to supervise them properly.

The report was a shattering critique of Mr. Santer. It said he had allowed a "state within a state" to develop in the commission's security service, for which he was personally responsible. Security officials, mostly recruited from the Belgian police force, arranged "small favors" for senior commission staffers, such as obtaining the cancellation of police fines for parking offenses and drunken driving, the committee said.

But her reputation for cronyism and arrogance, which worsened her unpopularity during 10 months in office, surfaced again Monday in revelations about her record in Brussels that put Mrs. Cresson, 65, at the center of the commission's collective resignation.

Her offenses may have been little worse than those of others in a commission thought to be mediocre in performance, but Mrs. Cresson's salty tongue and spiky reputation may have done her damage, as they did when she was a politician in France. A militant Socialist who shared President Francois Mitterrand's habit of defying conventional practice and promoting personal friends to high positions regardless of their professional skills, Mrs. Cresson was named prime minister in 1991 and plummeted to record lows in popularity.

She had to contend with male resentment, coupled with jealousy at the success of a woman who was perhaps a feminist but who also made no secret of her friendships with male Socialist leaders, including Mr. Mitterrand. When she chose an outsider, Abel Farouk, as an industrial adviser and special aide with wide-ranging powers, bureaucratic suspicion and resistance further undermined her authority over the French government.

Her contempt for political tact surfaced in a string of public gaffes as prime minister, including an occasion when she announced that she did not care about the ups and downs of the French stock market.

She publicly ascribed Japan's economic success to the "andlike" character of the Japanese. And she said that one out of four Englishmen and Americans must be homosexuals because they failed to find her in the street.

Named to the commission in 1994 by Mr. Mitterrand shortly before the end of his presidency, Mrs. Cresson was forced from the job Tuesday when an panel's report said that she was guilty of "favoritism" in appointing a friend to a commission position as an AIDS expert, a job for which the dentist had little evident qualification but which paid well — apparently for little or no work.

While none of the commissioners was accused of personal enrichment, the report named Mrs. Cresson as one of several who mismanaged the programs they were overseeing. Pointedly, it accused her of "failing to respond to known, serious and continuing irregularities over several years."

Her attitude antagonized investigators and activists in the European Parliament so strongly that Mrs. Cresson seems to have personally helped venom the situation to the point where the entire commission had to resign or be dismissed by a no-confidence vote in the Parliament.

"I have no regrets," Mrs. Cresson said Tuesday, blaming political naivete of the commission for the events.

Despite her defiance, Mrs. Cresson has apparently ended her political career.

Even before the scandal, she had become a lightning rod for criticism in Brussels. Fellow commissioners were often privately critical of her, and any criticism of her got extensive coverage in London newspapers.

A Paris daily, *Liberation*, disclosed her potential problems with dubious hiring practices last year when its reporters noticed a fellow journalist in what seemed a phantom position on her staff. Mrs. Cresson stonewalled queries, triggering a wider campaign for explanations.

Her disgrace in Brussels reignited vehemence against Mrs. Cresson in France, with the media Tuesday blaming her for discrediting the commission.



SHAKE ON IT — From left, Prime Minister Milos Zeman of the Czech Republic, Prime Minister Jerzy Buzek of Poland, Secretary-General Javier Solana of NATO and Prime Minister Viktor Orban of Hungary at a Brussels ceremony Tuesday welcoming the nations into the North Atlantic Treaty Organization.

Taking the West Bank, Hill by Hill

By Deborah Sontag
New York Times Service

ELI, West Bank — From this entrenched Jewish settlement on a bluff above the Palestinian territories, the vista is dotted for miles around with what the Israelis call facts on the ground. Almost every hilltop bears a scattering of mobile homes, evidence of the ongoing and willful expansion of the Jewish presence in the West Bank.

The hills are truly alive with the sound of hammers, buzz saws and bulldozers as Israelis — with the manual help of Palestinian workers — dig into the land.

They aim to sink their roots as deeply as possible in the hope that the acres they occupy now will never be turned over to the Palestinian Authority.

"When they built the hill, we climbed on up," said Oria Leibstein, 17, whose family moved from Eli, which is almost suburban, into a tin shack on a barren hillside nearby. "We felt like pioneers."

"At first it was horrible — no water, no electricity. But now we have our trailers, and it's gorgeous. Look at this view! At night you see all the land of Israel. What, we should let the Arabs have it?"

For months, Palestinian leaders have voiced persistent criticism about the growth of Jewish settlement communities in the West Bank, and particularly in the stretch of rocky hills between the Palestinian cities of Ramallah and Nablus. In the last few days, American diplomats have turned up the pressure on Israel to contain the expansion, in a war of words played out through the media.

Last weekend Dennis Ross, the Middle East peace envoy, in an unusual public rebuke, called increased settlement activity "very destructive to the pursuit of peace."

On Monday, Prime Minister Benjamin Netanyahu of Israel, defying the American criticism, visited a West Bank settlement, vowing, "We want it to be bigger." And Tuesday, the American Embassy in Tel Aviv issued a pointed response: "We have been troubled by Israel's expansion of existing settlements well beyond their periphery."

The embassy statement was released as Mr. Ross was flying to Madrid to see Yasser Arafat, the Palestinian leader, in a

meeting hastily scheduled at the last minute. Mr. Ross was expected to press Mr. Netanyahu to delay a declaration of statehood beyond May 4, and some Palestinian officials said they believed that the American criticism of Israel was timed to make Mr. Netanyahu more receptive.

The most recent Israeli-Palestinian peace memorandum, negotiated at the Wye Plantation in Maryland last fall, prohibits both sides from taking unilateral actions to jeopardize their understanding. The Americans, who brokered the agreement, see both a May 4 statehood declaration by Mr. Netanyahu and continued settlement expansion by Israel as unilateral acts that violate the accord.

The Israelis contend that they are ex-

pecting — increasing by about 9 percent a year — can be "very destructive to the pursuit of peace."

panding settlements based on the natural growth of the 140 communities; they say that the settlements are theirs to expand until their future is decided in the final status negotiations, which have not yet begun. Indeed, Foreign Minister Ariel Sharon counseled the settlers last fall to make haste by "grabbing hilltops" before land was turned over to the Palestinians.

But the Americans and the Palestinians contend that the expansion is unfairly carving out new Jewish communities.

"These activities prejudice and pre-determine issues that were to be reserved for permanent status negotiations by changing realities on the ground," said Larry Schwartz, the U.S. Embassy spokesman.

The American Embassy closely monitors settlement activity, which has long been a bone of contention between the Americans and the Israelis. Officials there would not release their data.

But Israeli and American peace groups who also monitor the West Bank claim that 16 new settlements have arisen in the last five months, since the Wye accord was signed in a ceremony at the White House. The trailer communities, blocks of white rectangles atop the highest hills, are as conspicuous as the banks of new house frames that stand beside the established communities.

"The system is very simple," said Mossi Raz, the general director of Peace Now in Israel. "The settlers go to a hill, most of the time next to the settlement where they live and in some cases outside the boundaries. They put up some trailers. They build a road to the place. And nobody does anything about it, not the police, not the army."

For the last five years, the settler population has grown at a rate of about 9 percent a year to 170,000 Jews living amid Palestinians in the West Bank and Gaza. Peace Now said the vacancy rate in the settlements hovers around 8 percent or 9 percent, negating the argument that there is need to expand.

But Pinchas Wallerstein, the chairman of the Yesha Council, the umbrella settlers' group, said it is turnover. He also said he hoped to see a greater spurt at the end of this school year.

"I hope it will increase by 11 or 12 percent this year," he said. "But I don't know that there are a lot of people who will be willing to pay \$100,000 for a house in the middle of an area where the political situation is unstable. I can give them a narrow caravan, but if they want to live in a permanent house, they have to pay for it."

Mr. Wallerstein discounted most of the new hilltop communities.

"They are very young fellows or families who stay there to make a point, but the living conditions are too difficult. There is growth in the settlements, but it is not in the hills."

He pointed to a six-month-old outpost of four families between Eli and Shilo, in an area at the dead center of the West Bank that is experiencing the greatest growth.

Eli is 14 years old and home to 400 families, both religious and secular, about 20 percent of whom are new immigrants. A sign at the foot of the hill that leads there promises houses "with cable!"

The municipal head, Lior Shmuel, boasts of the quick commute to Jerusalem and Tel Aviv.

"There are those who come here for quality of life, and those who come for that plus ideology," he said. "Both ways, we grow. We continue to build. This government comes and this government goes, and nothing changes but what sits on the ground."

Drivers Angry At Fuel Rise Bring Ecuador To a Standstill

The Associated Press

QUITO, Ecuador — Angry bus drivers joined striking taxi drivers Tuesday, barricading streets and bringing traffic to a standstill across the country in an effort to force the government to revoke a gas price increase.

In a harsh austerity package announced last week, President Jamil Mahuad proposed spending cuts, price rises and tax increases he says are needed to rescue this indebted Andean nation from its worst economic crisis in decades.

Commuters waited fruitlessly at bus stops Tuesday while others crossed barricades of yellow taxis, burning tires and club-wielding drivers to get to work.

The government empowered by a 60-day state of emergency, said it would clear the barricades. Soldiers armed with automatic weapons patrolled the streets of major cities Tuesday.

Government representatives met Monday with strike leaders and opposition politicians, but failed to find a solution to the standoff. Spokesmen said they would continue meeting.

Many of the reforms, especially tax increases and laws to speed up privatizations, must be approved by Congress, where Mr. Mahuad's centrist Popular Democracy Party lacks a majority. Congress has 30 days to rule on the measures.

But Mr. Mahuad's hopes of passing the reforms dimmed when the powerful conservative Social Christian Party, which had supported him on previous measures, called the reforms "inhuman" and vowed to block the tax increases.

The economic crisis in Ecuador was set off by last year's El Nino floods, which caused \$2.6 billion in damage, and low world prices for oil, the main export.

To protect banks from a run on deposits, Mr. Mahuad ordered them to shut last week and froze all dollar savings accounts. The banks reopened Monday, with anxious customers lining up for hours to withdraw what they could.

World Bank Offers Support

The World Bank offered "direct support" Tuesday for the government in efforts to overcome Ecuador's economic crisis, Agence France-Presse reported from Washington.

The president of the World Bank, James Wolfensohn, said, "The current economic developments in Ecuador are a source of great concern to us as the World Bank as well as to the entire international community."

Officials from the World Bank, International Monetary Fund and Inter-American Development Bank were in Ecuador to help with a rescue package.

POLL: Gore's Image Trouble

Continued from Page 1

tion about Mr. Gore and one out of five about the Texas governor to know who should be president.

Mr. Gore's aides said he is just setting out to emerge from the large shadow Mr. Clinton casts and said they were confident he could establish the leadership profile people seek in a president.

But Gerry Chervinsky, an independent pollster in Boston who has done much work in the leadoff primary state of New Hampshire, said: "There is trustworthiness. He is a solid player. But there's nothing inspirational about the guy. I don't see Gore connecting."

While six out of 10 of those polled say they approve of the job Mr. Gore is doing as vice president, that does not translate into support for the top post. Nearly four out of 10 of those who approve of Mr. Gore as vice president — 38 percent — say they would vote for Mr. Bush.

At this early stage of the process, with potential Republican challengers such as Mr. Bush and Mrs. Dole having formed exploratory committees but not formal declarations of candidacy, the images of the candidates are only vaguely formed and are subject to change.

"Despite his career and his high profile within the administration," an aide said, "the vice president is a blank slate. When he appears as a presidential candidate, people will begin to understand what he's about."

NORTH KOREA: Assent to Inspections

Continued from Page 1

North Korea's closest ally, might have exerted on the isolated Pyongyang government.

The agreement comes at a time, however, when U.S.-Chinese relations have been strained by disputes on human rights abuses in China and trade issues. They also have been taxed by U.S. consideration of extending a missile-defense program to parts of Asia.

The Clinton administration has insisted that engagement is the best approach with both China and North Korea.

Critics in Congress, however, say the United States is providing food and succor to a rigid Stalinist government that bears the primary responsibility for its people's suffering, and which some suspect has defied the 1994 agreement.

A missile test by North Korea in August — it fired a missile that flew over Japan — heightened concerns in Washington, Tokyo, and Taipei. That test helped build support in Congress for the idea of a national missile-defense system, possibly to be extended to U.S. friends in Northeast Asia.

Candidates in the East Watch Commission's Drama Nervously

By Peter S. Green
International Herald Tribune

PRAGUE — Watching nervously from the sidelines, Central and Eastern European candidates for EU membership say that without a swift resolution of the crisis caused by the European Commission's unanimous resignation, eastern expansion of the Union could be delayed.

Some officials in the region said that if the resignation pushed internal EU reforms off the table at the Union's Berlin summit this month, the Union would not be able to move ahead quickly on taking in new members.

"If they are able to find a consensus next week in Berlin, that would be excellent," said Pavel Telicka, the chief Czech negotiator.

Mr. Telicka said that even if the EU and applicants completed the current round of negotiations and screening of candidates for compliance with membership terms

before a new commission was appointed, the process was already well under way, and he believed, irreversible.

"It would not really undermine our efforts," he said, "because a month more or less won't make a difference. I would be doubtful that there could be any major U-turn on enlargement."

In Budapest, Zsolt Becsey, a Foreign Ministry spokesman, said the timing of the commission's resignation, just three months ahead of scheduled elections to the EU parliament, means its effect on expansion bills will be minimal.

He said Hungary already expected to be dealing with a lame duck commission from June and an extra three months would make little difference.

"The commission has already launched their initiatives," he said, "and the ball is already in the

Drivers
Fuel
Bring Fuel
In a Stand



THE INTERMARKET

FOR EUROPE +44 171 510 5748
FOR THE AMERICAS 1-800 572 7212
FOR ASIA +852 2922 1188

BUSINESS OPPORTUNITIES

Disclosed U.S. Securities
Large Block Transactions of
Publicly Listed U.S. Securities
Available to Retailers and
Individuals at a Discount
Excellent Potential for High Returns
For Inquiries to: 242-394-5076
Email: info@msn.com

OFFSHORE COMMERCIAL BANK
WITH CORRESPONDENT
BANK RELATIONSHIP
CLASS A NO PUBLICATION
REQUIREMENTS
US\$65,000
AGENTS WANTED
WORLDWIDE
Tel: 242-394-7080
Fax: 242-394-7082

FOR MORE
INTERMARKET
See Page 9

FINANCIAL SERVICES

INVESTIGATE BEFORE YOU INVEST
Authenticate your financial guarantees, MTNs and bonds.
BEFORE you invest.
Find out more about your High Yield Investment Program and their representatives BEFORE you do business with them.

American Financial Investigative Agency.
Toll Free in USA 1 888 888 4FA
Fax 1 602 252 0059, in UK +44 (0)171 920 2913 - AZ DPS/LIC 9901039
LICENCED and BONDED

Banking
ATTENTION EU BANKS & FINANCIAL Groups, Liechtenstein with its excellent banking secrecy and company law is a natural choice for the European Central Bank. Are you interested in advertising concerning a banking license? Please fax your inquiry to KPS Ltd. +41 22 346 7829

WE PROVIDE DOCUMENTARY & Standby Letters of Credit, Bank Guarantees, Power of Funds & Financing Commitment. Fax 305-652-1820 USA.

MAIOR LTD. Issues Reserved Funds, proof of funds, upto US\$10M. E-mail: Vanuacapital@ix.netcom.com or call UK 0780-322-4982 (UK Cash deposit required)

INT'L OFFSHORE BANKS FOR SALE
Legal * Legitimate * Affordable.
Fax: +44-230-779 361 Germany

Business Services
Dynamic Public Relations, marketing consultant will assess your company needs, develop full-service communications programs, create international network for implementation evaluate results, U.S. and European offices with broad European interests. Contact President, Dynamic Communications, Tel: 205-441-3077 Fax: 205-441-3008 USA. E-mail: ph@ddcinternational.com

FOR LEGAL, PROFESSIONAL, commercial services in SWITZERLAND, FRANCE, SPAIN, GERMANY, administration, banking, trading, translators, accountants, offices. LALA GESTION Geneva, +41 21 888 6774, Fax +41 22 345 5406, e-mail: eng@polin.ch

HTC, Providing A Confidential Company And Trust Formation Service - With Bank Accounts - Anonymous And ID Free - Tel: +41 32 322 2226 Email: htconline@hanoverdirect.com

BUSINESS ADDRESS - SERVICES Mail Phone - Fax - London W1 T: 071 935 4041 F: 0171 935 7079 Email: Eve@karen.demon.co.uk

NYC LAW FIRM - BUSINESS Real Estate - Litigation - Immigration. Tel: 212-943-2325. Email: corporations@nycfirm.com

YOUR OFFICE IN LONDON Bond Street - Mail, Phone, Fax, Telex Tel: 0171 220 9000 Fax 171 469 7517

Business Opportunities

Don't Drink & Drive TAKE NOTOK FIRST! An all natural alcohol detector capsule which effectively reduces alcohol effects on the consumer without having to go through the liver, kidneys, stomach and brain. Developed by world renowned Chinese Scientists

Partnership/Distribution apply to: IMPERIAL GOLD HONG KONG INC. Tel: 514-572-9990 Fax: 514-570-9991

FOR SALE, MICRONETICS Inc. Ltd. located in the Geneva Freeport, 40 years supplying parts for Renault, Volvo & Volvo Penta, Radiator & TV Broadcasting. Swiss Yens US\$ 15 million. Very large customer list. For more information: www.micronetics.trading.com.micronetics@micronetics.com or call +41 (78) 200 5510 (Mobile).

INT'L SOCIETY OF FINANCERS Networking for full-time professionals with projects for funding or funding your projects. FREE Annual Report. 629-552-5507 Fax 629-551-5507 USA

AGENTS WANTED To Sell US Corporations & LLCs from \$300 Mil inclusive. Corporate Consulting Ltd. Telephone: 302-529-0500 Fax: 201-323-9005 USA. Web: www.applglobal.co.uk

2nd PASSPORTS - Driving License / Degrees/Certificates - Power of Attorney - Tax Evasion Services. Tel: 312-521-1407. E-mail: johndoe@erols.com

FLORIDA USA Businesses for Sale WWW.cash4mybiz.com Email: cash4mybiz@erols.com Fax: 561-553-2310 USA

CAPITAL CORP. Merchant Banking is looking for Business Department Agents. Tel: 212-521-7582

COMMERCIAL FISHING CONCESSION for 50% profit and 50% cost. Location: Tel: 2111-753-2071 E-mail: simone@gen.com.la

CASINO & LOTTERY. License holder seeks joint venture partner or Franchisee. Tel: 212-521-7582 or Fax: 212-521-7582

2ND PASSPORT \$10K A/c. EU, Denmark, Etc. Various Licenses. Email: cheetah@erols.com Fax: 212-521-7582

2ND PASSPORTS FROM US \$4000 Fax: +44 171 222 2214 Email: cheetah@erols.com

DIAMONDS. West Africa. Secure legal imports & exports. Fax: +411 716-0003 or 44-171-321-3203

CORPORATE FINANCE
For quality projects worldwide
Brokers Welcome
Phone: 00 44 115 948 0000
Fax: 00 44 115 948 0481
Hannover & Scottish Trust and Investment
Banking Consultants Business Advisors

Dairy Project in China
International Agricultural
Investment Group
offering 50% partnership
(total project USD 4.5M).
Established operation in China
with infrastructure. Previous
success with Chinese projects.
<http://www.agglobal.com/china>
Huber: asiel@global.com
Phone: ++1-901-820-0300
Fax: ++1-901-820-0028

EMPIRE STATE BUILDING
ADDRESS
Gain instant access to our
world's best-known building.
Mail received, phone
calls, fax messages, e-mail
room, furnished mini-office.
EMPIRE STATE BUSINESS CENTER
TEL: 212-736-8072 • FAX: 212-564-1135

FOR MORE
INTERMARKET
See Page 9

ATTENTION
SALES OFFICES/
BROKERAGES
EARN BIG MONEY
Currency options market maker in
the tax haven Bahamas looking to
expand into Europe & Asia. Great
opportunity for right sales force. We will
train, lead and time market.

BUSINESS
SERVICES

PASSPORT
AGENTS NEEDED

EU Residency \$10K
EU Citizenship \$25K
Diplomatic Passport \$35K
BY LAWYERS ESCROW ACCOUNT
100% GUARANTEED AND RENEWABLE

Tel: +38 1 319 2684
Fax: +38 1 319 2689

[Info@second-passport.com](http://www.second-passport.com)

www.second-passport.com

Dial Interoute Telecom, Ltd

Start Calling D.I.T.

USA 6p

CANADA 6p

AUSTRALIA 9p

FRANCE 11p

SOUTH AFRICA 28p

SAUDI ARABIA 52p

INDIA 47p

• Instant Free Commission

• No Contracts/Line Rentals

• No Setup Fees

• No Commission

• No Minimum

All prices per minute. No setup fees.

Call Toll-Free 1-800-997-1444

800 097 5140

+44(0)1 604 499 539

www.dit.com

Dial Interoute Telecom, Ltd

LE

CROISSANT

SHOP

FRENCH CAFE-BAKERY

An American success with the taste of France operating world-wide since 1981.

• Comprehensive training

• Ongoing Support

• Store design

MASTER LICENSES

MASTER FRANCHISES

CONTACT OUR NEW OFFICE

FAX: (212) 944-0269

TEL: (212) 719-5940

www.lecroissantshop.com

Entrepreneur 800

Others on request

Credit Card payments accepted.

Call NOW for more information.

www.charterhousegroup.com

Charterhouse Group International

Telephone: +44 1624 813566 or

+44 171 623 4501

+44 124 614 6339

www.charterhousegroup.com

Financial Services

FINANCIAL PROFESSIONALS

Over 30 years experience

Venture Capital - Commercial Mortgages

Innovative Financing - Letters of Credit

Minimum \$1 Million - Broken Welcome

R.J.L. INTERNATIONAL

Tel: 00 351 363 1649

Fax: 00 351 719 7700

www.rjli.com

INTERNATIONAL FINANCIAL SPECIALISTS

over 30 years experience

INTERNATIONAL DEVELOPING ENTERPRISES AGENCY (IDEA)

Established 1982 - Tel: 212-751-0000 / Fax: 212-689-4442

World Phone: (503)377-8000

E-mail: pb@idc.com

INTERNATIONAL FINANCIAL SPECIALISTS

over 30 years experience

INTERNATIONAL FINANCIAL SPECIALISTS

EDITORIALS/OPINION

Herald Tribune
INTERNATIONAL**A Push for the Irish**

The parties to the Northern Ireland dispute have taken to descending on Washington for a political booster shot on St. Patrick's Day, March 17. It is a tribute to their confidence in the United States as a mediator and to Bill Clinton personally.

This time the visiting parties seek help to untie the tight knot of de-commissioning, or disarming, the outlaw militias of the two sides in Northern Ireland, especially the Catholic minority's Irish Republican Army.

The conveyance of this issue to Washington is being widely depicted as the "last chance" to save the nearly year-old Good Friday peace agreement. It is being said, in order to describe the situation and to stir the two sides to loosen up, that there is no Plan B.

Perhaps there is no Plan B in the sense of a well-wrought comprehensive alternative end three decades of bloody sectarian conflict. But there are various ways to address the unquestionably overwhelming interest that the two sides have in making the Good Friday agreement come alive on the ground.

The two need to open up to some of these negotiating possibilities. It is not enough for them simply to keep repeating that their respective constituencies — the Protestant majority, the Catholic minority — are already stretched to the limit and cannot be expected to make a further move.

As T.R. Reid wrote in The Wash-

ington Post on Monday, the IRA is believed to have thousands of secret caches containing hundreds of tons of weapons. Whatever the precise count, it amounts to a formidable force that would allow the IRA, if it chose, to resume military action on a broad scale. And not only the IRA. In Monday's car bombing against a prominent Catholic human rights lawyer, responsibility was claimed by a newly outlawed Protestant group.

Still, Unionists are right to demand a credible start on disarming by the IRA. If the demand is not in the literal letter of the Good Friday agreement, it is certainly in the essential spirit. It is unthinkable that one political party should go through a negotiation possessing and implicitly flourishing a private army.

But the Republicans have right on their side, too, in the other crucial regard now in play. They demand a prompt start on the actual establishment of the power-sharing arrangements that make up the core of the Good Friday pact. It is unthinkable that one political party should maintain and exploit an old monopoly of political power after a new agreement to share power has been made.

If the courage of the Northern Ireland sides is not up to their double task of dealing with disarming and power sharing, then the Clinton team can help them pick up the slack.

—THE WASHINGTON POST.

Washington and Chile

One of the lingering mysteries about Augusto Pinochet of Chile is whether Washington sided in the 1973 military coup that brought him to power and how much it knew of the murders and forced disappearances committed by his government. Beginning with an investigation by a Senate committee in 1975, tantalizing bits of information have emerged about failed CIA efforts to keep the Socialist Salvador Allende from becoming president in 1970, and the CIA's ties to Pinochet's intelligence organizations. Now, if the Clinton administration carries out a well-designed plan to declassify its information on Chile, the details of America's role may be known.

The administration ordered the review because of a surge of interest in General Pinochet that developed after his indictment last year by a Spanish magistrate. The plan was released to the public at the prodding of the National Security Archive, a nongovernmental group. It directs the State, Defense and Justice departments, the CIA and the National Security Council to search their files for information on human rights abuses and terrorism in Chile, beginning with the period from 1968 to 1978. The directive asks the

agencies to complete their initial release of documents by mid-May. All documents will be treated as if they were more than 25 years old, making them much easier to declassify.

The State Department has led the move toward openness, but cooperation from the Pentagon and the CIA is a question mark. The Defense Department has lagged behind other agencies in releasing documents in the past, and probably holds a trove of important information regarding Chile.

The CIA's reluctance to declassify documents on Chile in the files of its operations directorate is particularly unfortunate. The 1975 Senate investigation of CIA activities found that the agency had run numerous covert operations to keep Mr. Allende from becoming president. Declassified documents show that in 1970 President Richard Nixon instructed the CIA to organize a military coup. The Senate report also mentioned the agency's ties to the most sinister of General Pinochet's secret police organizations.

The CIA recently released crucial documents on its role in Guatemala's violence. It should now reveal the truth about all its activities in Chile.

—THE NEW YORK TIMES.

A Sour Boxing Night

Somebody once called boxing the sweet science, but there was nothing sweet about last Saturday night's Evander Holyfield-Lennox Lewis heavyweight title bout, or scientific about the collective wisdom of the three judges who called it a draw. Mr. Lewis was clearly the superior fighter for most of a dreary evening, and one judge actually awarded him the fight. A second judge called it a draw, while a third astonishingly gave it to Mr. Holyfield. The fighters will continue to share the title. The only clear winners were the promoters, who will stage a rematch in six months.

This bout was supposed to be a big shot in the arm for boxing in New York, a fight that would establish one clear champion in the heavyweight division and bring back the glory days of Madison Square Garden. When it ended the way it did, the state's leading politicians were furious and not a bit bashful about raising the possibility of fraud. Mayor Rudolph Giuliani, who watched the bout on television along with more than a million others who paid for the privilege, called the result a "travesty" that could lead reasonable people to conclude that "someone had altered the honest judgment of the judges." Governor George Pataki ordered an inquiry by the State Athletic Commission, while Eliot Spitzer, the state attorney general, began a separate inquiry. Mr. Spitzer suggested that the judges were guilty of "tampering or incompetence."

—THE NEW YORK TIMES.

These responses are heartening. The usual reaction to bad boxing decisions is a shrug of the shoulders, but that will not do here. The fight generated more than \$50 million in television revenue alone, and the fighters earned nearly \$30 million between them. The vast television audience and the 21,284 spectators on hand in Madison Square Garden had every right to know whether they got the fair fight they paid for.

The official who ruled in favor of Mr. Holyfield, Eugenia Williams, stands by her verdict. She said she had "scored by the blows that connected," even though the television audience saw, and the official computer recorded, a lot more blows by Mr. Lewis than by Mr. Holyfield. Her views deserve a fair hearing, but so, too, do the suspicions of those who believe that the people who control boxing had much to gain from a draw — not least Don King, the promoter who organized this bout and stands to benefit from a rematch.

If either the athletic commission or the attorney general turns up evidence of fraud, then other law enforcement figures, including District Attorney Robert Morgenthau, should be prepared to take the investigation further. Boxing is suffering from widespread public mistrust. A good fight and a fair verdict in Madison Square Garden would have done it worlds of good. That did not happen, and it is important to ask why.

—THE NEW YORK TIMES.

Now Let's Have a Democratic Overhaul of Europe

By Jonathan Eyal

LONDON — With the resignation of the European Commission on Tuesday, the Europeans have experienced their equivalent of the Boston Tea Party. This has the potential to be the biggest democratic overhaul in Europe since the collapse of communism.

Commissioners are appointed by national governments. No doubt a game of musical chairs will preoccupy all the Union's leaders in the months to come. If this process is handled correctly, it may bring huge benefits for Europe.

Traditionally, commissioners were people who were senior in their own home states but for one reason or another had fallen foul of their national political systems and had to be rewarded with a fat international job. This is now certain to change. Governments will pay particular attention to the people they send to Brussels.

Many careers will be made there. A dual process whereby politicians start their careers in Brussels and continue them in their own countries later is essential for the democratic cohesiveness of the future Union.

June, and a new democracy flourishing in Brussels. The process may not be neat, but the trend is unmistakable. Parliamentary accountability has arrived, even in the European Union.

It is possible to argue that the resignation of the commission can slow down other reform projects in the Union, but this need not be the case. Decisions about the Common Agricultural Policy and reform of the budget belong to national governments.

The start of enlargement negotiations with the Central European states does depend on a functioning commission. But these negotiations have already been delayed (because they can start only when the other internal EU questions are resolved), and they can be conducted by the outgoing commission, which remains in office until new appointments are made.

Individual EU governments should capitalize on this crisis, for the good of all. They should re-examine those commissioners who are beyond reproach for a transition period.

They should appoint Leon Brittan,

the senior British commissioner, as president for an interim period. This will allow Tony Blair, the British prime minister, to claim that it is Britain now which is leading the process of reforming the Union, a useful claim as he embarks on the fight to introduce the euro into Britain.

The other member states may go along with this, if only because Leon Brittan will be retiring soon. But, regardless of what happens in the next few days, it is clear that the culture of Brussels, with its opaque, French-dominated administration, collecting huge salaries and accountable only to itself, is now dead.

A new Union is being born. It will be leaner and more democratic, but also more chaotic. In short, it will represent Europe as it is, rather than the continent imagined by the graduates of the grandes écoles in France.

The writer, director of studies at the Royal United Services Institute in London, contributed this comment to the International Herald Tribune.

Question and Answers: Why Does America Prosper So?

By Robert A. Levine

LOS ANGELES — Vigorous American growth is the pump that keeps the world economy from collapsing. But why is the United States doing so well?

U.S. success has been variably attributed to wise microeconomic policy (Alan Greenspan) and to the hangers of the American consumer.

Each of these explanations has some truth, but the more fundamental reason is that the United States is riding the current technological wave of growth, the information revolution. This is illustrated by a few statistics plucked from American and European tables.

Why is America so much higher than on the current wave than its competitors? The reasons lie in traits that define the American way of life.

• The United States is a huge single market. The European Union, even before monetary union, approached the same large singularity, but the EU lacks most of the other characteristics.

• The United States has a tinkering culture. Many American boys, and some girls, still

grow up fixing their own cars. • The public philosophy is antithetical to dirigisme. The government does not tell American entrepreneurs what to do. French, German and Japanese governments do — when they can find entrepreneurs. The hope for Italy is that reform will not kill its entrepreneurial gray economy.

• The United States retains a strong tradition of social fluidity based at least in part on personal capability. The same is true of France and Japan. It is not true of Britain, which otherwise resembles America in many characteristics.

• The United States is unique (with Canada) in being an immigration nation. My generation of East European-rooted Jewish kids achieved a hell of a lot. Now, although a few Americans may be going nativist, most of

us thrill to the fact that perhaps two-thirds of the high school and college students winning science and other prizes have Asian names. Many are U.S. natives. Amazingly, many others crossed the Pacific knowing no English but quickly learned the language and much more.

• Politically incorrect as it may be to say so, the United States is the most anti-racist of developed nations. It still has more problems than most and has a long way to go, but it is working far harder to get there. Where are the Indian-Pakistani caucus in the House of Commons, the Algerian group in the National Assembly, the Turkish caucus in the Bundestag, the Koreans in the Japanese Diet?

• Finally (for this list), the much maligned American educational system turns out product adapted to the current world economy. Whether this is true for the troubled primary

To Succeed, the Entrepreneur Has to Be Able to Fail

By David Ignatius

WASHINGTON — Between visits to some of Silicon Valley's hot companies, I found myself puzzling over a question: What is it that makes the high-tech world feel so alive and bursting with energy at a time when the culture of official Washington seems so dead?

The best answer I can offer is something I heard at Cisco Systems, a wildly successful company that is building the Internet with its fast routers and switches.

The comment had to do with the tech world's tolerance for risk, and for the failure that sometimes comes with it.

"If you hit five out of five, you won't do well here," explained Dan Scheinman, a Cisco vice president. "People like that aren't taking enough risks. If you hit eight out of 10, that's the Cisco way."

Washington is a city of five-out-of-five people, driven by an ingrained intolerance of failure.

Any screwup, misjudgment, miscalculation or inconsistency makes you instantly subject to second-guessing from members of Congress, consumer watchdogs, independent counselors and, yes, from the 20-20 hindsight brigade in the press.

This kind of atmosphere is destructive of creativity and initiative. I cannot imagine a good newspaper, for example, surviving under the kind of microscopic scrutiny that is applied to public officials.

The phrase "I made an honest mistake" is not one you hear much in Washington.

Washington is a compulsive, risk-averse, excuse-making, blame-shifting, afraid-of-falling-off-the-greasy-pole kind of town. Any mistake is a potential career-killer. Politicians are that way, obviously. No wonder they don't pass laws any more. It's

too risky. They might make a mistake; someone might object. If you want a stunning example of what the zero-defect mentality has created, take a look at the modern CIA. They have become so worried about running afoul of lawyers and congressional oversight committees that in recent years, they have almost gone out of the spying business. Too risky.

Hold on, you say, what about President Bill Clinton? He is hardly a zero-defect guy. That is true, but the problem is that he pretends to be one. That is the Washington way. He is a flawed and immature man, in ways that become more obvious every day, but he is still trying to act as if he is perfect. Maybe the reason Americans like him so much is that they know that he knows it's really a con.

Here is an anecdote which illustrates how different the culture of Silicon Valley is.

Several years ago, a man joined a Silicon Valley start-up company. He was very talented, but it wasn't the right fit. A few days after he left the company, he visited one of America's top venture capitalists. It's O.K. to fail, the venture capitalist advised. "This one didn't work, but the next one will."

Part of what makes Silicon Valley so different is that people don't have time for finger-pointing and recrimination. The technology world is simply moving too fast.

"It's like lava, bubbling up everywhere," says Jerry Yang, 30, co-founder of Yahoo. Business success, in this environment, means staying just ahead of the lava.

Mr. Yang started Yahoo a few years ago as a quirky guide to cool sites on the World Wide Web and transformed it into a business that now has a market value of roughly \$33 billion. His personal net worth is now about \$3.6 billion, but he still doesn't have an office with a door you can close.

Instead he works out of a messy cubicle; with clothes piled in a heap on the floor and knickknacks strewn across his desk. If you looked hard, you could probably find some empty pizza boxes.

"Speed matters," says Mr. Scheinman at Cisco Systems. With technology changing so fast, successful companies are the ones that take risks on new products and get them to market fast. More careful, risk-averse companies get left in the dust.

"The fast beat the slow," says Mr. Scheinman. That is the iron law of Silicon Valley. Even a giant company like Microsoft is not powerful enough to derail the outrush of technology.

To be sure, it helps that the tech world is a culture of abundance, with lots of rewards to go around for the winners. That is part of what drives the risk-taking machine. But nearly every young tycoon in the valley has had the experience of failure, and bounced back from it to success and wealth.

Perhaps the best thing you can say about Washington is that it is slowly being infected by the spirit of Silicon Valley. Take a drive out the Dulles toll road and you will see a new world of business led by Internet companies like America Online.

These companies would not be growing so fast if they were not making mistakes along the way and learning from them.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO**1899: Tea Addiction**

PARIS — A correspondent writes to affirm that the evil caused by excessive tea drinking results from the fact that Chinese teas have been ousted from general use by Indian teas, which are full of tannin. He hopes, in the interests of "Greater Britain" that such tea will never replace the beer of the British laborer or the rum of Jack Tar. Another correspondent writes to recommend that philanthropic people should use cold tea as a weapon to combat alcoholism among the poorer classes.

Is there to be no real accounting?

—The New York Times.

1949: Alliance Grows

WASHINGTON — The eight Western nations negotiating the proposed Atlantic defense alliance formally invited the governments of Italy, Denmark, Iceland, and Portugal to join the pact. France and the United States insisted that Italy should be permitted to join because of its pro-Western outlook and its strategic position in the Mediterranean. Britain, Belgium and the Netherlands argued against extending the alliance southward to Italy, on the grounds that it is too early to do without some risk to the alliance as a whole.

1924: Italian Flume

ROME — Nationalist enthusiasm marked the festivities throughout Italy in celebration of the joining of Fiume to the Mother Country. Signor Mussolini is preparing to celebrate his triumph in the full sunshine of nation-wide popularity, never

Khmer Rouge Fun and Games

By James Pringle

PAILIN, Cambodia — When hard-line Communist regimes collapse, they seem to do so in a similar way — into a kind of gangster capitalism, with the emergence of mafia elites, red princelings and corruption. The murderous Khmer Rouge regime is no exception.

In the end, this is what it was all for, the "pure and hard" revolution that left 1.7 million Cambodians dead? Do the torture chambers of Tuol Sleng and the killing fields of Choeung Ek ultimately come down to this?

A visit to the former Khmer Rouge headquarters at Pailin reveals that the red flag of Democratic Kampuchea has given way to the red lights of massage parlors and brothels. Illicit sex in the past, course, brought immediate execution.

Near the Thai border, a "jungle casino" has opened. Khmer Rouge operatives rent out 40 gaming tables for bacarat and roulette to Thai businessmen.

Not far from there, two Khmer Rouge chiefs, Khuon Samphan and Nuon Chea, are holed up on a ridge in comfortable houses protected by a minefield. The pair who wrote the ideological blueprint for one of the century's most brutal regimes defected in December. The government of Prime Minister Hun Sen, which contains a number of former Khmer Rouge figures, including Hun Sen himself, laid on a tour of the country for them in January. Despite calls for their arrest within Cambodia and abroad, they were then allowed to come here.

At a foreign language "institute" in Pailin, the children of Khmer Rouge cadres learn

English. When the Khmer Rouge ruled Cambodia with an iron fist from 1975 to 197

STAGE/ENTERTAINMENT

Reveling In Change

Homage to Robbins
At Paris Opera Ballet

By David Stevens
International Herald Tribune

PARIS — Despite more than three centuries of history, the profile of the Paris Opera Ballet has changed radically in the last three decades, a development underlined by the current Balanchine-Robbins program at the Palais Garnier and the homage to Jerome Robbins that launched it.

It is not so much the quality of dancing, since the Paris Opera's ballet school has been pretty consistent in turning out the dancers the company needs. It is more a matter of repertory, which in the last quarter-century or so has seen a major infusion of both 19th-century and 20th-century classics.

What goes around comes around. Marius Petipa left France for St. Petersburg and created his great romantic ballets. George Balanchine, trained in St. Petersburg, led a small troupe to the West and ended up creating his first great works for Diaghilev. But for an accident of history, he might have ended up as the ballet director at the Paris Opera. Instead Serge Lifar took over and Balanchine went with Lincoln Kirstein to found what eventually became the New York City Ballet, in due time with Robbins as co-ballet master.

Flash forward. In 1973, Rolf Liebermann became administrator of the Paris Opera, where he not only revitalized the operatic repertory but — less recognized but equally important — began giving the ballet company heavy infusions of Balanchine and Robbins. Now the Paris Opera Ballet has 26 Balanchine ballets and 13 by Robbins — the solid, classically based platform of its 20th-century repertory. (Later on, Rudolf Nureyev became Paris ballet director and mounted his versions of the Petipa classics, works that except for Vladimir Bourmeister's "Swan Lake" in 1960, the company had never performed before. But that is another story.)

So the homage to Robbins a few days ago can be seen not only as a tribute to the great choreographer who died last July 29, but also as an unspoken tribute to Liebermann, the formidable impresario who died on Jan. 2.

The homage to Robbins program that opened the current run included a work new to the Paris company, the first that he could not come to rehearse himself.



Isabelle Guerin and Manuel Legris in Robbins's "Other Dances."

That was "Other Dances," created for Natalia Makarova and Mikhail Baryshnikov in 1976 and set to four Chopin mazurkas and one waltz. Isabelle Guerin and Manuel Legris danced them elegantly, with their echoes of Russian folk gestures conceived for the two fugitives from Leningrad's dance world.

Also on the program was another exploration of the world of Chopin's piano music, "In the Night" (1970), the nocturnal equivalent of the magnificent "Dances at a Gathering" that Robbins had created a year earlier. This was danced by a trio of couples, Fanny Gaidam and Legris, Elisabeth Platé and Kader Belarbi, and Carole Arbe and Laurent Hilaire.

The other purely dance numbers on the program included "A Suite of Dances," which could be described as a pas de deux for a cellist (Martine Baily) and a dancer (Nicolas Le Riche) to excerpts from Bach's solo suites for cello, and the hilarious 1956 classic "The Concert," in which Robbins, inspired by Saul Steinberg cartoons, makes irresistible fun of the self-indulgent antics of a concert

audience, again to the piano music of Chopin. The program included an excerpt of a film by Dominique Delouche, in which Robbins rehearses Monique Loudières and Manuel Legris in one of the pas de deux in "In the Night," struggling to express himself in his nonexistent French but ending up by communicating in superbly effective body language.

THE SENSE OF occasion was heightened by opening the evening with the grand parade of the entire company to Berlioz's march from "Les Troyens," with the stage opened up all the way back to the ornate Foyer de la Danse, which most ballet fans otherwise never get to see.

Henri Barde was the fluent and industrious pianist for all the Chopin, David Coleman conducted the Berlioz, and Hugo Fiorato, who worked with Balanchine from the 1940s, conducted the orchestral parts of "The Concert."

The Balanchine-Robbins program, which runs through April 4, omits "Other Dances" and includes Balanchine's Bach classic, "Concerto Barocco."

BOOKS

EVENSONG

By Gail Godwin. 405 pages.
\$25. Ballantine Books.

Reviewed by Christopher Lehmann-Haupt

THE title of Gail Godwin's rich new novel, "EvenSong," refers, its epigraph says, to "a worship service said or sung at the onset of evening to mark the close of day and to compose the mind and renew the spirit for the coming day." The sense of calm and beauty this evokes is reinforced by the book's dust jacket, a moonlit landscape of the Great Smoky Mountains, presumably in western North Carolina where the novel is set.

As you read "EvenSong," however, you find its title taking on an ironic edge. For its story is not about the close of a day but rather about the end of the old millennium and the coming of the new. (One clever character correctly points out that the transition doesn't actually occur until 2001. But like most of us, Godwin's people consider the last midnight of 1999 as the turning point.) What is happening at the close of 1999 to the Reverend Margaret Bonner, the story's protagonist, and narrator, is very far from beautiful and calming.

The young pastor of the All Saints' Episcopal Church in the Smoky Mountain town of High Balsam, Margaret feels alienated from her gloomy husband, Adrian, who is undergoing a depressing crisis of his own. (Readers will recognize these two from Godwin's earlier novel, "Father Melancholy's Daughter.")

The chaplain of a boarding school for troubled children, Adrian not only has to stand in for the recently deceased

headmaster until a new one is hired, but also must expel a student he particularly cares for, Chase Zorn, for once again breaking into the school's chapel and drinking the communion wine. Partly as a result of these pressures, Adrian has not slept with Margaret for some six months.

Meanwhile, Margaret is struggling to fend off the zealous efforts of one Grace Munger to enlist All Saints in a Millennium Birthday March for Jesus intended to heal certain socioeconomic rifts that have developed in High Balsam. Realizing that by not joining in she risks making her church seem as elitist as many consider it anyway, Margaret nevertheless refuses to get caught up in Christian crusading.

In the midst of this turmoil a strange old man arrives at the Bonners' doorstep, identifying himself as Tony, from the Abbey of the Transfiguration, up in Eospus, New York, traveling the country on "one of the Greyhound Millennium Passes." Margaret, who knows that the people of Sodom and Gomorrah were punished as much for their inhospitality as for their sexual practices, feels that she has to take Tony in.

Godwin handles these crises with the narrative verve and moral gravity that made earlier novels of hers like "Glass People," "A Mother and Two Daughters" and "The Finishing School," among her 11 previous works of fiction, so appealing.

Yet for all of Godwin's skill you can't help feeling that there's something soap-operatic about her narrative, that the sequence of dramatic events is just one thing after another, especially when it comes to the ending, which

happens at her story's end. "What I mean to say is things that had been stealthily ripening in a few separate souls now came to a head and 'for better or worse' found outward expression, more or less at the same time."

But she can't avail herself of a field theory of narrative, so events have to stay in line and on the surface.

"There's an interesting Greek word, *katharos*, one of Godwin's characters announces in a typically entertaining aside. "Literally, it means, 'to search for the purple fish,'" he says.

"The literal purple fish was a shellfish highly prized by the Greeks for its rich purple dye," he continues. "Divers went to the bottom of the sea in search of this elusive fish. That's how 'searching for purple fish' came to be the Greeks' expression for plumbing the depths of one's mind."

Yet despite all this spiritual play, Godwin's story never transcends its realism. "A field theory style of narrative, rather than linear, would be useful here, whatever that might be like," Margaret muses when introducing what

New York Times Service

BEST SELLERS

The New York Times The best-seller report from more than 2,000 bookstores throughout the United States. Weeks on the list are not necessarily consecutive.		
FICTION	Non-Fiction	Total
1 <i>THE TESTAMENT</i> , by John Grisham	1	1
2 <i>APOLLYON</i> , by Tim LaHaye	7	3
3 <i>SOUTHERN CROSS</i> , by Patchen Kennedy	2	7
4 <i>COOL</i> , by Elmore Leonard	9	3
5 <i>RANSOM</i> , by Julie Garwood	3	4
6 <i>A SUDDEN CHANGE OF HEART</i> , by Barbara Taylor	10	2
7 <i>SEND NO FLOWERS</i> , by Sandra Brown	4	4
8 <i>THE POISONWOOD BIBLE</i> , by Barbara Kingsolver	6	20
9 <i>AMY AND ISABELLE</i> , by Elizabeth Strout	1	1
10 <i>A MAN IN FULL</i> , by Tom Wolfe	5	17
11 <i>HARRY POTTER AND THE SORCERER'S STONE</i> , by J.K. Rowling	8	12
12 <i>WHILE I WAS GONE</i> , by Sue Miller	13	3
13 <i>REMEMBER THE NIGHT</i> , by Don Knotts	12	4
14 <i>AMSTERDAM</i> , by Ian McEwan	15	8
15 <i>THE CAT WHO SAW STARS</i> , by Lilian Jackson Braun	6	13
16 <i>SUNLIGHT</i>	13	16
ADVICE, HOW-TO AND MISCELLANEOUS		
17 <i>SUGAR BUSTERS</i> , by L.H. Leighton Stewart et al	2	36
18 <i>HOW TO GET WHAT YOU WANT</i> , by John Gray	1	5
19 <i>ONE DAY MY SOUL JUST OPENED UP</i> , by Ivana Vazquez	13	13
20 <i>LIFE STRATEGIES</i> , by Phillip C. McGraw	4	7

Dealing With the Devil A Night of Word Games With Albert Speer

By Sheridan Morley
International Herald Tribune

LONDON — Gitta Sereny, Albert Speer's biographer, has already made it clear that she is less than happy with the portrayal of him in Esther Vilar's new play, "Speer," at the Almeida, and one can certainly see her point in this production about Hitler's old dream merchant.

As mesmerizingly played by Klaus Maria Brandauer, who here as in "Mephisto" on screen seems to be at his best playing artists who made pacts with the Nazi devil, Speer emerges from prison to do a curious deal with East Berlin that would involve his construction of Germany (a maniacally gothic and essentially loony building project that would doubtless have ended up as Disneyland East) and the electronic tagging of would-be escapees over the wall to avoid the local embarrassment of having them shot.

The problem with an always enthralling two-man show, also directed by Brandauer, is that its author can never quite decide whether she's writing the political version of "Sleuth" or trying to tell us something new about Speer's remarkable talent for survival.

Happy to throw in his lot with Hitler, who seems to have fancied him if only platonically, he stages a triumphant bid for his own life at Nuremberg, spends a few decades in prison writing autobiographical best-sellers, and is now, in this fantasy, willing to do the same sort of deal with Honecker in 1980 that he had done with Hitler almost half a century earlier.

Vilar's passion for the word games played by Speer and the only other character on stage, a somewhat underpowered Sven Eric Bechtolf as the East German functionary sent to win him over the wall, often prevents us from getting really close to the heart of her play, which manages about three double twists of plot in the last 10 minutes alone.

As a blackmail or revenge drama, "Speer" is remarkably clumsy; but for its occasional insights into what made Speer run, as well as for the final delivery of evidence that would have been enough to hang him at Nuremberg, the play is well worth a look if only for Brandauer's Olivier-like ability to prowl, panther-like, around the set with all eyes on him.

If at the end we are left in doubt as to the precise extent of the central character's corruption and villainy, it also has to be noted that it is precisely those doubts about the "good Nazi" that keep



Sven Eric Bechtolf, left, and Klaus Maria Brandauer in "Speer."

this vehicle from getting itself tied up in knots. And we haven't heard the last of him: David Edgar is adapting the Sereny biography for the National.

At the Young Vic for the Royal Shakespeare Company, Stephen Poliakoff's "Talk of the City" is a brilliant idea gone sadly adrift. Set in Broadcasting House in the late 1930s, it concerns a group of radio broadcasters suddenly faced with twin threats in the coming of war and television. As to the star of one of the Saturday night concert extravaganzas decides that he wishes to infiltrate his insane comedy routines with news of what the Nazis were starting to do to the Jews. As for television, Poliakoff seems only to want to make the ironic point that radio never understood, in 1938, that the killer was not going to be the war but the new medium.

All kinds of ideas are fighting for air time here. Poliakoff's usual fascination with the ways in which history is rewritten: the precise nature, if any, of the BBC's independence from Downing Street, and, perhaps, above all, how a group of ill-assorted characters either make their peace or come to blows with the BBC as a semi-sovereign state in its own prewar realignment.

The problem is that Poliakoff then decides to explore several characters' plot lines in some detail: the singer-

comic who becomes a kind of Scarlet Pimpernel (David Westhead), the German Jew who comes to warn him of trouble, a couple of women, only one of whom will survive the prewar panics, and BBC functionaries played with splendidly chilly aplomb by John Nettleton.

It is not that these characters are implausible (some of them were indeed still alive and well when I first joined the BBC almost 30 years after the war), but that halfway through the play Poliakoff has around half a dozen plots going and is finally unable to focus on which really matters most.

Not for the first time, I suspect, this play might have worked better as a six-part TV serial.

At the Battersea Arts Centre, Charlie Wood has a new version of Gogol's "Gamblers" played out in 90 minutes as a kind of pre-Russian Revolution, David Mamet card-playing scam. An all-male cast of nine, powerfully led by James Williams, plays an 1840 game of cards as if their lives depended on it, which in a way of course they do. Although Joe Spence's new adaptation never quite gets us away from the idea of a short story brought to life, there's a claustrophobic intensity here as well as a strong team of young character actors fighting to establish individual identities before the cards are cut.

Strife in the German Theater

By Anne Midgette

BERLIN — Competition can be good for business — even among cultural institutions. But in Germany in the last few months, a rivalry involving three leading men of the theater has revealed the intensity with which German theaters and German cultural politicians can vie with one another for headlines, renown and as large a piece as possible of the country's cultural pie.

German theater is political, not least in the fact that the post of "theater director" is technically a political appointment. Take the Deutsches Theater in the former East Berlin, for example, one of the largest theaters for spoken drama in Germany. It was the stamping ground of the legendary director Max Reinhardt and, after World War II, the actor-director Wolfgang Langhoff, who welcomed Bertolt Brecht and his Berlin Ensemble as long-term guests.

Once the wall fell, a theater director was sought to lead the house through the transition to a united Germany. As a result, Ulrich Roloff-Momin, the first cultural senator of reunified Berlin, appointed the stage director Thomas Langhoff to the post.

A citizen of the former East Germany with a good reputation in both parts of the country and no political affiliation, Langhoff seemed a perfect choice. He also represented tradition: He had worked at the Deutsches Theater before, and he was Wolfgang Langhoff's son.

He has had a lot to contend with. Financial constraints imposed by the Berlin Senate lopped some \$4 million from his budget, compelling him to reduce the staff to 350 from 500 and to cut the number of new productions.

Although the Deutsches Theater took the coveted German Theater Critic's Award for Theater of the Year in 1992, the critics have been less enthusiastic in the last several years.

But the theater remained reasonably well-attended. Langhoff was popular with his ensemble and he had announced a new concept for the house: a plan to bring in new directors — the French star director Luc Bondy will come here in 1999-2000 — and rekindle some of the excitement the theater has experienced in its long tradition.

On the other side of the country, wealthy Munich also has an active theater scene. But where post-reunification Berlin has a number of major repertory theaters that receive government subsidies, Munich has only two. Of these, the Munich Kammerspiele is the undisputed leader, thanks to its director, Dieter Dorn, who in his 21-year tenure has transformed it into one of the top theaters in Germany.

Robert Wilson and, yes, Thomas Langhoff have worked there. Dorn is also well respected in Munich's cultural life because of his own stagings, both at the Kammerspiele and, for example, at the Bavarian State Opera, where his "Cosi fan tutte" is one of the

theater's strongest productions. Despite geographical differences, Langhoff and Dorn have a few things in common. Both are stage directors, both are about the same age (Langhoff is 60, Dorn 63), and the contracts of both men with their respective houses are coming up for renewal in 2001.

Another leading man on the German theater scene is Frank Baumbauer, the successful head of the Deutsches Schauspielhaus in Hamburg. While not a stage director, Baumbauer has a nose for what is new and hot in theater. When he arrived in Hamburg, the house was struggling; since then, it has received the Theater of the Year award three times. Directors active at the house include the eccentric Swiss wunderkind Christoph Marthaler, one of Europe's most popular ticket sellers at the moment, and Jossi Wieler, a specialist in making obscure texts theatrically viable, who won the Production of the Year award with his staging here in 1993-94 of a work by Alfred Jelinek.

An ultimate sign of the hipness of Baumbauer's theater are the frequent co-productions with the Salzburg Festival, one of the most "in" spots for the German-speaking theater. As of this summer, in fact, Baumbauer is to take over as director of theater at Salzburg, a post he will hold at least until 2001.

Baumbauer, in short, is the kind of man the cultural politicians just love. They find it reassuring that he is not an artist but someone they can talk business with; and they like that he brings critics, good artists and buzz to a city, bolstering its reputation for tourism, and, by extension, the politicians' jobs.

Taking On Japan's Banks

Official's Hard Line Is Starting to Show Results



Mr. Yanagisawa is trying to force change at Japan's financial companies, like Sumitomo Corp., at right.

By Sandra Sugawara
Washington Post Service

TOKYO — Big, bold action. That's what Hukao Yanagisawa is looking for.

As chairman of Japan's Financial Reconstruction Commission, Mr. Yanagisawa is in charge of overseeing the cleanup of Japan's ailing banking system. And as he assesses the enormous task that lies ahead — dealing forthrightly with the more than \$700 billion of bad loans currently mucking up the banks' books — Mr. Yanagisawa says that what Japan needs is a bold corporate leader willing to slash costs and publicly recognize the full amount of problem loans.

"There are no John Reeds in Japan," he muttered to reporters and aides in February — invoking the executive he credits with rescuing what was then America's largest bank, Citicorp, in the early 1990s — after Japan's major banks submitted their initial reconstruction plans to the five-member commission he heads.

Mr. Yanagisawa is attempting to force a wholesale change in perspective among the institutions. Although he is not popular in some financial quarters here, Mr. Yanagisawa's medicine is starting to yield a payoff: Bank stock prices have been rising, and the banks are having fewer problems raising money in global markets. Traders say the so-called Japan premium — the extra interest that Japanese banks had to pay global lenders to attract capital — has virtually disappeared.

Along with its sister agency, the Financial Supervisory Agency, which inspects banks' books, the Financial Reconstruction Commission has helped administer the \$61 billion government payment to bolster the largest banks in return for cost-cutting that is to include eliminating 20,000 jobs, or about 14 percent of the work force, over four years. Under Mr. Yanagisawa's prodding, many banks are also closing overseas branches.

But the nascent attempts at bank reform are subtly shaking the foundation of "Japan Inc.," the nation's socially sensitive brand of capitalism with its emphasis on workers' rights and shared corporate pain. To bolster their balance sheets, some banks are focusing on profits and pulling back from risky customers, and some are beginning to sell their holdings of stocks in longtime client companies, undeterred by

portion of the web that once underlay "Fortress Japan."

"What a generation of jawboning and threatened trade sanctions could not accomplish is now being delivered by the consequences of stagnation and failing banks," said Clyde Prestowitz, a former U.S. trade negotiator and head of the Economic Strategy Institute in Washington.

The government of Prime Minister Keizo Obuchi has not warmly embraced Western-style free markets. But the government was essentially forced to pass banking-reform legislation last autumn when global lenders started to refuse to deal with Japanese banks, threatening the stability of Japan's financial system.

In the midst of this upheaval, Mr. Obuchi appointed Mr. Yanagisawa, a senior but little-known politician from the governing Liberal Democratic Party, to the new post of minister of state for financial reconstruction. Mr. Yanagisawa's appointment was greeted skeptically by foreign investors. But his supporters argued that he had been preparing for such a job since the early 1970s.

Back then, he was a young Finance Ministry bureaucrat based in New York. He spent those years selling government-guaranteed bonds issued by Japan Development Bank to U.S. investment bankers. The more deeply he got immersed in Wall Street, the more intrigued he was.

He said he watched Chase Manhattan Corp. transform itself from "a rather dull bank" to a large, dynamic one. Through friends he made at Morgan Stanley & Co. and Brown Brothers Harriman & Co., he observed the evolution of those institutions from insular investment banks into global powerhouses.

In an effort to better grasp the intricacies of the foreign-exchange market, Mr. Yanagisawa set up a meeting with Citicorp's then-chairman, Walter Wriston. He said he remembered the meeting vividly — the decor, his feeling of confidence as he entered the room as the Finance Ministry representative of Japan, a nation whose economy and currency were getting stronger each day.

He also remembered the force with which Mr. Wriston, known for his arrogance, knocked the air out of him. "I approached the meeting with such confidence. But he beat me down completely," said Mr. Yanagisawa, chuckling.

See YEN, Page 17

Canada Pressures U.S. on Magazines

By Steven Pearlstein
Washington Post Service

OTTAWA — Taking a step closer to a trade war with the United States, the House of Commons has passed legislation making it a criminal offense for Canadians to place advertising in American or any other foreign-owned magazines.

The bill, backed by the Liberal Party government and three of the four opposition parties, was approved by Canada's lower house on Monday night, 196 to 43. The Senate could amend the measure, but it usually passes bills that have been approved by the lower chamber.

Many Canadians see the legislation as a necessary defense of Canadian culture against the steady encroachment of the U.S. entertainment-industrial complex, as it has come to be known here.

U.S. officials, fearing that the measure could set a dangerous precedent for other countries, have vowed to retaliate by slapping tariffs on Canadian steel, wood, plastics and textiles — industries that account for more than \$15 billion in annual exports to the United States.

Canadian publishers warn that if

Despite the brinkmanship on both sides, there were signs late last week that a compromise might be in the offing that could avert the trade conflict between the world's two biggest trading partners.

"I would say that the Canadians for the first time seemed to be more willing to engage in constructive conversation," Richard Fisher, deputy U.S. trade representative, said Friday.

But Heritage Minister Sheila Copps, who maneuvered the bill through the cabinet and Commons consideration, took a defiant tone after the vote Monday.

"We have no intention of watering anything down," she said.

The talks are scheduled to continue in Ottawa this week.

At issue is not whether American magazines should be allowed to circulate in Canada. They already account for 85 percent of the titles on Canadian newsstands and about half of all magazine circulation in Canada.

Rather, the dispute concerns advertising, the primary source of revenue for magazines.

Canadian publishers warn that if

American magazines such as Sports Illustrated and Playboy are allowed to sell ads to Canadian advertisers in special Canadian editions, known as split-run magazines, they will be able to drive down the price of advertising to the point that most Canadian magazines will be forced out of business.

This issue has been a thorn in U.S.-Canadian relations for more than 30 years. It has taken on significance for both countries that far exceeds the commercial importance of Canada's English-language advertising market of \$240 million per year.

Officials familiar with the U.S.-Canadian talks say that an eventual compromise might require that, in order to sell advertising in Canadian editions, American publishers would have to set up Canadian subsidiaries and have at least half of the content written by Canadians or about things Canadian.

At the same time, the United States is pressuring Canada to change its tax code, which allows Canadian companies to deduct the cost of advertising in Canadian magazines but not advertising placed in foreign ones.

CURRENCY RATES

March 16 Other Dollar Values March 16

Cross Rates	S	E	SF	Yen	CS	Dana	Greek	Swede	Currency	Per S	Currency	Per S	Currency	Per S	Currency	Per S	Currency	Per S	Currency
London (d)	1.6243	—	2.3816	197.46	2.4831	11.068	478.47	13.25	Avgut, pers	0.9915	Hung. Forint	2.01	1.2772	1.2772	1.2772	1.2772	1.2772	1.2772	1.2772
New York (d)	—	1.6292	2.4558	117.695	1.5275	6.814	292.36	8.216	Alger. pers	1.2772	Ind. Zambian	1.2772	1.2772	1.2772	1.2772	1.2772	1.2772	1.2772	1.2772
Tokyo	117.45	190.33	79.75	—	76.94	17.14	N.Q.	14.20	Brasil. real	1.2772	North. Irish. pound	1.2772	1.2772	1.2772	1.2772	1.2772	1.2772	1.2772	1.2772
Toronto	1.5292	2.4837	1.0425	1.2968*	—	0.2243	0.5188*	0.1859	Chilean peso	1.2772	Pakist. rupee	1.2772	1.2772	1.2772	1.2772	1.2772	1.2772	1.2772	1.2772
Zurich	1.4471	2.3823	—	1.2419*	0.9592	21.5149	0.4976*	0.1785	Colombian peso	1.2772	Polish zloty	1.2772	1.2772	1.2772	1.2772	1.2772	1.2772	1.2772	1.2772
One euro	1.0901	1.6703	1.5995	128.65	1.4658	7.4222	321.20	8.949	Egypt. pound	1.2772	Portug. escudo	1.2772	1.2772	1.2772	1.2772	1.2772	1.2772	1.2772	1.2772
One SDR	1.3689	0.8426	2.0016	163.093	2.0908	9.2369	401.461	11.1215	Malta. lira	1.2772	Swiss franc	1.2772	1.2772	1.2772	1.2772	1.2772	1.2772	1.2772	1.2772

Interest rates excluding commissions.

* To buy one dollar. ** Per 100 N.G.; not quoted N.A.; not creditable.

SDR. Special drawing rights of the IMF.

Source: Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); Banque de France (Paris); IMF; SDR. Other rates from Reuters.

Interest rates excluding commissions.

* To buy one dollar. ** Per 100 N.G.; not quoted N.A.; not creditable.

SDR. Special drawing rights of the IMF.

Source: Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); Banque de France (Paris); IMF; SDR. Other rates from Reuters.

Interest rates excluding commissions.

* To buy one dollar. ** Per 100 N.G.; not quoted N.A.; not creditable.

SDR. Special drawing rights of the IMF.

Source: Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); Banque de France (Paris); IMF; SDR. Other rates from Reuters.

Interest rates excluding commissions.

* To buy one dollar. ** Per 100 N.G.; not quoted N.A.; not creditable.

SDR. Special drawing rights of the IMF.

Source: Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); Banque de France (Paris); IMF; SDR. Other rates from Reuters.

Interest rates excluding commissions.

* To buy one dollar. ** Per 100 N.G.; not quoted N.A.; not creditable.

SDR. Special drawing rights of the IMF.

Source: Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); Banque de France (Paris); IMF; SDR. Other rates from Reuters.

Interest rates excluding commissions.

* To buy one dollar. ** Per 100 N.G.; not quoted N.A.; not creditable.

SDR. Special drawing rights of the IMF.

Source: Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); Banque de France (Paris); IMF; SDR. Other rates from Reuters.

Interest rates excluding commissions.

* To buy one dollar. ** Per 100 N.G.; not quoted N.A.; not creditable.

SDR. Special drawing rights of the IMF.

Source: Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); Banque de France (Paris); IMF; SDR. Other rates from Reuters.

Interest rates excluding commissions.

* To buy one dollar. ** Per 100 N.G.; not quoted N.A.; not creditable.

SDR. Special drawing rights of the IMF.

Source: Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); Banque de France (Paris); IMF; SDR. Other rates from Reuters.

Interest rates excluding commissions.

* To buy one dollar. ** Per 100 N.G.; not quoted N.A.; not creditable.

SDR. Special drawing rights of the IMF.

Source: Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); Banque de France (Paris); IMF; SDR. Other rates from Reuters.

Interest rates excluding commissions.

* To buy one dollar. ** Per 100 N.G.; not quoted N.A.; not creditable.

SDR. Special drawing rights of the IMF.

Source: Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); Banque de France (Paris); IMF; SDR. Other rates from Reuters.

Interest rates excluding commissions.

* To buy one dollar. ** Per 100 N.G.; not quoted N.A.; not creditable.

SDR. Special drawing rights of the IMF.

Source: Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); Banque de France (Paris); IMF; SDR. Other rates from Reuters.

Interest rates excluding commissions.

* To buy one dollar. ** Per 100 N.G.; not quoted N.A.; not creditable.

SDR. Special drawing rights of the IMF.

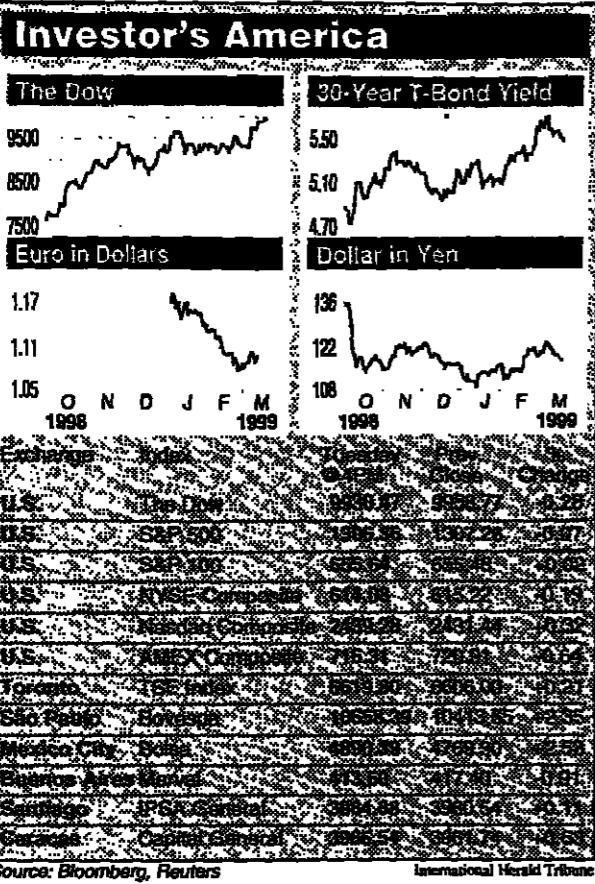
Source: Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); Banque de France (Paris); IMF; SDR. Other rates from Reuters.

Interest rates excluding commissions.

* To buy one dollar. ** Per 100 N.G.; not quoted N.A.; not creditable.

SDR. Special drawing rights of the IMF.

THE AMERICAS



Shifting Course, U.S. Banks Increase Credit Lines to Brazil

Compiled by Our Staff From Dispatches

PARIS — U.S. banks have increased credit lines to Brazil in recent weeks, reversing months of cuts, while European banks have continued to slash exposure to Latin America's biggest economy, a senior official of the International Monetary Fund said here Tuesday.

Lenders such as Citigroup Inc. and Chase Manhattan Corp. increased credit after proceeding from the IMF and U.S. officials once Brazil sealed a revised agreement with the IMF to ensure that \$41.5 billion of aid would keep flowing, officials said at the Inter-American Development Bank annual meeting here.

The U.S. banks rolled over "more than 100 percent" of their loans to Brazil in the past three weeks, said Terese Temminck, the IMF's deputy director of the

Western Hemisphere department. "They are quite happy to do so."

But she stressed that the effort to involve the private sector in helping Brazil surmount its current financial problems was on a "purely voluntary" basis.

"As long as they can be assured that everybody else chooses at the same time to stay in," the Brazil market, the banks are happy, she added.

Pedro Malan, Brazil's finance minister, said Friday that he had won assurances from western banks of a rollover of Brazil's credit lines, totaling \$23 billion, for six months, which would cover Brazil's balance-of-payments needs to the end of the year.

The IMF last week endorsed the country's revised economic program, paving the way for the release

of an IMF loan of \$4.9 billion, part of a \$41.5 billion international loan package that the IMF arranged last year to help shore up investor confidence in Brazil.

The return of fresh capital to Brazil is crucial to pull the economy out of recession and steady the currency. Companies need fresh loans to repay debts and finance investments in industries such as telecommunications and electricity.

The currency has rallied in recent weeks after plunging to a record low earlier this month. The real has gained 9 percent in March, with the dollar falling to 1.8550 reals on Tuesday.

Brazil's credit lines from foreign banks dwindled to about \$23 billion at the end of February, from \$52 billion in August when Russia's debt default triggered an exodus

among investors who were concerned that Brazil may be the next to go.

Separately, the IMF on Tuesday cut its 1999 economic growth forecast for Latin America to zero from a previously estimated 1.5 percent because of Brazil's currency devaluation.

Latin America grew 2.5 percent last year and 5.1 percent in 1997.

"GDP will be stagnant," said

Claudio Loser, director of the IMF's Western Hemisphere department.

Mr. Loser said he expects the

region to grow near the end of the year as confidence returns and interest rates fall.

He added that Brazil's devaluation will speed up the inflation rate in the region. He sees inflation between 12 percent and 13 percent this year, up from 10 percent in 1998.

Also at the IDB meeting, English-speaking Caribbean countries said that the regional development bank does not provide them with enough money.

"The recent performance of the Bank Group has not met our expectations, particularly since the level and regularity of approvals and commitments continue to fall short of our needs," said the finance minister of Guyana, Bharat Jagdeo.

Mr. Jagdeo, speaking for the Bahamas, Barbados, Jamaica and Trinidad and Tobago as well as his own country, noted that in 1998 the IDB approved only five projects in three of these countries totaling \$132 million.

This was double the previous year's figure but still far from enough, Mr. Jagdeo said.

(Bloomberg, AFP)

Resignations at EU Recharge the Euro

Compiled by Our Staff From Dispatches

NEW YORK — The euro rose against the dollar Tuesday amid optimism that the resignation of the European Commission would pave the way for bureaucratic and regulatory reforms.

"We got rid of dead wood," said J.P. Neergaard of Dean Witter. "The market is seeing this as better than what we had before."

The euro climbed to \$1.0993 in 4 P.M. trading from \$1.0943 on Monday, after falling to \$1.0814 just after the resignations were announced.

The euro also was lifted by comments from the vice president of the Bundesbank, Juergen Stark, who said that

FOREIGN EXCHANGE

the single currency's almost 7 percent decline since January was not dramatic and that an interest rate cut would not solve Europe's economic problems.

"This move is a delayed reaction," to Mr. Stark's comments, said Andy Busch of Bank of Montreal.

The departure of the 20 commissioners who run the European Union's day-to-day affairs came after a five-member panel found evidence of financial mismanagement. The euro rebounded after European central bankers moved to reassure investors about the three-month-old common currency. A member of the European Central Bank's board, Eugenio Domingo Solans, said the resignations would not undermine the euro because commissioners did not make monetary and economic policies but simply executed those policies.

The resignations "won't destabilize the euro, which is dependent on the ECB and is independent of politics," he said.

The dollar fell to 117.695 yen from 117.715 yen, as the Nikkei Stock Average rose for a fifth day out of six amid sentiment that the Japanese economy is recovering. But the dollar slipped to 1.4538 Swiss francs from 1.4643 francs. The pound rose to \$1.6292 from \$1.6233.

(Bloomberg, Market News)

Very briefly:

• Nortel Networks, Hewlett-Packard Co., Intel Corp. and Microsoft Corp. have collaborated on new products aimed at allowing people to listen to their e-mail on the telephone and read their voice mail on the computer.

• Philip Morris Cos.' chairman, Geoffrey Bible, received a \$3.5 million bonus for his role in talks that led to the \$206 billion settlement between cigarette makers and 46 states, according to a proxy statement.

• Wal-Mart Stores Inc. and seven other major clothing retailers and manufacturers agreed to settle federal charges that they had not properly disclosed the countries where clothing sold through Internet catalogs was made.

• Venezuela said it planned to cut oil production by a further 75,000 barrels a day.

Bloomberg, AP, NYT

Goldman's Profit Rises

Compiled by Our Staff From Dispatches

NEW YORK — Goldman Sachs Group LP said Tuesday that its pretax earnings rose 16 percent to \$1.188 billion in the first quarter as its trading division recovered from tough conditions last year and its investment bank performed well.

The Wall Street company said net revenues in the quarter ended Feb. 26 rose to \$2.995 billion from \$2.472 billion in the first quarter of 1998.

Operating expenses increased to \$1.807 billion from \$1.450 billion, the company said.

The gains came as Goldman's trading business turned in a "strong performance," David Viniar, chief financial officer, said in a statement. Mergers advisory, debt underwriting and asset management businesses also "performed well," he said.

Goldman also planned to file documents Tuesday detailing its intent to go public, which would end 130 years as a private partnership.

(Reuters, Bloomberg)

U. S. STOCK MARKET DIARY

Tuesday, March 16											
Indexes						Most Actives					
	High	Low	Last	Chg.	C%		Vol.	High	Low	Last	Chg.
Dow Jones	10,477	10,337	10,419	+13	.13	AT&T	2,202,000	10,419	10,337	10,419	.13
Nasdaq	7,617	7,533	7,549	-1.13	-.15	Delta Air Lines	1,000,000	7,549	7,533	7,549	-.13
NYSE	1,045.58	1,035.58	1,042.47	-.04	-.04	Eastman Kodak	1,000,000	1,042.47	1,035.58	1,042.47	-.04
Standard & Poor's	1,045.58	1,035.58	1,042.47	-.04	-.04	General Mills	1,000,000	1,042.47	1,035.58	1,042.47	-.04
AMEX	1,045.58	1,035.58	1,042.47	-.04	-.04	IBM	1,000,000	1,042.47	1,035.58	1,042.47	-.04
Dow Jones Bond	1,045.58	1,035.58	1,042.47	-.04	-.04	Merck	1,000,000	1,042.47	1,035.58	1,042.47	-.04
20 Bonds	1,045.58	1,035.58	1,042.47	-.04	-.04	Motorola	1,000,000	1,042.47	1,035.58	1,042.47	-.04
10 Utilities	1,045.58	1,035.58	1,042.47	-.04	-.04	Philip Morris	1,000,000	1,042.47	1,035.58	1,042.47	-.04
10 Industries	1,045.58	1,035.58	1,042.47	-.04	-.04	Procter & Gamble	1,000,000	1,042.47	1,035.58	1,042.47	-.04
Trading Activity											
NYSE	Class	Prev.	Today	Chg.	%	Nasdaq	Class	Prev.	Today	Chg.	%
Advanced Declined Unchanged New High New Low	722	265	722	-1	-.01	Advanced Declined Unchanged New High New Low	722	265	722	-1	-.01
AMEX	Class	Prev.	Today	Chg.	%	AMEX	Class	Prev.	Today	Chg.	%
20 Bonds 10 Utilities 10 Industries	104.69	103.72	104.69	-.07	-.07	20 Bonds 10 Utilities 10 Industries	104.69	103.72	104.69	-.07	-.07
Trading Activity											
NYSE	Class	Prev.	Today	Chg.	%	Nasdaq	Class	Prev.	Today	Chg.	%
Advanced Declined Unchanged New High New Low	722	265	722	-1	-.01	Advanced Declined Unchanged New High New Low	722	265	722	-1	-.01
AMEX	Class	Prev.	Today	Chg.	%	Market Sales	Class	Prev.	Today	Chg.	%
Advanced Declined Unchanged New High New Low	722	265	722	-1	-.01	Market Sales	Class	Prev.	Today	Chg.	%
Dow Jones Bond											
20 Bonds											
10 Utilities											
10 Industries											

Dividends	Company	Per Amt	Rec Pay	Company	Per Amt	Rec Pay
IRREGULAR						
Abbey Natl Aids	b	\$4.69	2-22	4-45		
Ulti Mtd Natl A	b	\$2.65	3-11	4-11		
STOCKS						
Wells Fargo	5%	4-13	4-22	Lake View Ind		
INCREASED						
Chase Manhattan	Q	4.1	4-4	2-22		
PAB Bankshares	Q	2.71	4-15	4-15		
Pimco Advisors	INITIAL	5.5	5-1	5-1		
Hest Markitt	z	21	3-11	4-14		
R.H. Donnelly	REGULAR	Q	4.0	3-11	4-12	
Alexandria RealEstate						
Baltimore Indf	s	1.03	4-1	3-2		
Brown Lending						
CITI	d	2.51	4-15	4-15		
Cigna Hi Inc Sbrn	M	.9675	3-24	4-45		
Entertainment Corp	Q	2.71	4-15	4-15		
Fidelity Fund	Q</td					

EUROPE

CeBIT Fair Set to Open

More than 7,000 exhibitors are getting ready for the annual CeBIT information technology fair, which opens Thursday in Hannover. On many minds is the threat of system problems as the year 2000 arrives. In the photo at left, Kyungmin Bae is preparing a poster for LG Electronics Co. of South Korea.

**Merger Helps Lift Novartis Earnings**

Continued from Page 11

"The commission will continue operating as a competition watchdog," said Stephen Spinks, a partner with the Brussels practice of the U.S. law firm Coudert Brothers. "I do not expect any problems."

Another lawyer pointed out that Karel Van Miert of Belgium, the high-profile commissioner in charge of competition, was not directly implicated in the report. "I would expect the Belgian government to have him reinstated," the lawyer said.

Nonetheless, uncertainty about the interim stage between a caretaker commission and a new one could hobble the EU at a time when its trade relations with the United States have a new low.

Negotiators had been locked in talks ranging from the use of the Concorde airliner in the United States to the import of Chiquita Brands bananas into the EU. The dispute is now before the World Trade Organization.

"This is a particularly bad time to have a leaderless EU," said Frank Vargo, head of the U.S. Commerce Department's office that oversees foreign compliance with treaties and

trade agreements. "I hope this can be resolved by the Europeans very quickly. It is a very significant time."

"There needs to be a rapid decision about who should be nominated to a new commission," said Dick Leonard, an adviser at the Center for European Policy Studies, a Brussels think tank. "Nobody can afford a long power vacuum."

The senior currency strategists at Credit Suisse First Boston, Peter von Maydell, said that for the new single currency, the euro, the resignation of the commission was "irrelevant because the commission doesn't have any control of monetary policy."

The departure in disgrace of the team of Jacques Santer, the commission president, is likely to complicate difficult negotiations on EU financial strategy, but that is a long-term problem that markets are currently not taking into consideration, Mr. von Maydell said.

While only a handful of commissioners were directly implicated in the fraud scandals, other commissioners were prompt to agree that the investigators' findings should lead to a major shuffle.

(AP, Reuters, Bloomberg, AFP)

Credit Suisse First Boston, Peter von Maydell, said that for the new single currency, the euro, the resignation of the commission was "irrelevant because the commission doesn't have any control of monetary policy."

The senior currency strategists at Credit Suisse First Boston, Peter von Maydell, said that for the new single currency, the euro, the resignation of the commission was "irrelevant because the commission doesn't have any control of monetary policy."

The senior currency strategists at Credit Suisse First Boston, Peter von Maydell, said that for the new single currency, the euro, the resignation of the commission was "irrelevant because the commission doesn't have any control of monetary policy."

The senior currency strategists at Credit Suisse First Boston, Peter von Maydell, said that for the new single currency, the euro, the resignation of the commission was "irrelevant because the commission doesn't have any control of monetary policy."

(AP, Reuters, Bloomberg, AFP)

Private Banking Lifts Credit Suisse

Compiled by Our Staff From Dispatches

ZURICH — Credit Suisse

Group on Tuesday posted a 680 percent rise in net profit in 1998 as growth from money management and private banking offset losses in investment banking.

The company earned \$1.0 billion Swiss francs (\$2.12 billion) last year, up from \$97 million francs the previous year, despite a 221 million franc loss by its investment bank, CS First Boston, the top foreign holder of defaulted Russian bonds.

Credit Suisse's private banking unit earned 1.67 billion francs in 1998, a 27 percent increase. Profit at Credit Suisse Asset Management rose 58 percent, to 223 million francs.

"The results highlight the strengths of the Swiss banking Leviathans," said Philip Crane at Banque Nationale de Paris SA. "Switzerland remains one of the world's favorite piggy banks, and incumbent players profit considerably from this preference."

(AP, Reuters, Bloomberg, AFP)

Regulators Scrutinize BNP's Offer

Bloomberg News

PARIS — French regulators were meeting Tuesday to study whether the \$5.8 billion hostile bid by Banque Nationale de Paris SA for Societe Generale SA and Paribas SA constituted a valid takeover offer under French law.

Societe Generale and Paribas argued that the offer was not valid, would "destroy value" for shareholders and would lead to thousands of job losses and the dismantling of Paribas. Executives of the two target companies began canvassing investors and analysts last week in an effort to convince them that their own previous \$16 billion merger plan was superior to BNP's hostile offer.

Societe Generale will probably propose a better price for Paribas, but BNP can always offer more," said Marc Renaud, a portfolio manager at CCR Actions who said he favored BNP's offer.

Societe Generale and Paribas have been relying on a legal argument against the offer, contending that BNP's bid was not valid and therefore should not be considered.

"There are too many possible outcomes for shareholders to know what they're voting for," said Pierre Servan-Schreiber, a lawyer at Sullivan & Cromwell who is working for Societe Generale and Paribas.

For example, Mr. Servan-Schreiber said, if BNP's offer for Societe Generale were accepted and the offer for Paribas were not, the Societe Generale shareholders would be voting for a three-way merger they were not getting.

The difference between BNP's offer and the banks' stock prices have narrowed, indicating that shareholders expect BNP's offer to be accepted eventually.

"If the current proposal comes to shareholders, it is clear that BNP will win," said Ian McEwen, a bank analyst at Lehman Brothers.

The Societe Generale chief executive, Daniel Bouton, and the Paribas chief executive, Andre Levy-Lang, said this week that the banks had "many options" to respond to the bid and would not be drawn into discussions with BNP while faced with a hostile bid.

Investor's Europe

Frankfurt DAX

London FTSE 100 Index

Paris CAC 40

5800 6600 4400

5400 6200 4100

5000 5800 3800

4600 5400 3500

4200 5000 3200

3800 4600 3000

3400 4300 2800

3000 3900 2400

2600 3500 2000

2200 3100 1800

1800 2700 1500

1400 2300 1200

1000 1900 1000

600 1300 600

200 400 200

100 200 100

50 100 50

20 40 20

10 20 10

5 10 5

2 5 2

1 2 1

0.5 1.0 0.5

0.2 0.4 0.2

0.1 0.2 0.1

0.05 0.1 0.05

0.02 0.04 0.02

0.01 0.02 0.01

0.005 0.01 0.005

0.002 0.004 0.002

0.001 0.002 0.001

0.0005 0.001 0.0005

0.0002 0.0004 0.0002

0.0001 0.0002 0.0001

0.00005 0.0001 0.00005

0.00002 0.00004 0.00002

0.00001 0.00002 0.00001

0.000005 0.00001 0.000005

0.000002 0.000004 0.000002

0.000001 0.000002 0.000001

0.0000005 0.000001 0.0000005

0.0000002 0.0000004 0.0000002

0.0000001 0.0000002 0.0000001

0.00000005 0.0000001 0.00000005

0.00000002 0.00000004 0.00000002

0.00000001 0.00000002 0.00000001

0.000000005 0.00000001 0.000000005

0.000000002 0.000000004 0.000000002

0.000000001 0.000000002 0.000000001

0.0000000005 0.000000001 0.0000000005

0.0000000002 0.0000000004 0.0000000002

0.0000000001 0.0000000002 0.0000000001

0.00000000005 0.0000000001 0.00000000005

0.00000000002 0.00000000004 0.00000000002

0.00000000001 0.00000000002 0.00000000001

0.000000000005 0.00000000001 0.000000000005

0.000000000002 0.000000000004 0.000000000002

0.000000000001 0.000000000002 0.000000000001

0.0000000000005 0.000000000001 0.0000000000005

0.0000000000002 0.0000000000004 0.0000000000002

0.0000000000001 0.0000000000002 0.0000000000001

0.00000000000005 0.0000000000001 0.00000000000005

0.00000000000002 0.00000000000004 0.00000000000002

0.00000000000001 0.00000000000002 0.00000000000001

0.000000000000005 0.00000000000001 0.000000000000005

0.000000000000002 0.000000000000004 0.000000000000002

0.000000000000001 0.000000000000002 0.000000000000001

0.0000000000000005 0.000000000000001 0.0000000000000005

0.0000000000000002 0.0000000000000004 0.0000000000000002

0.0000000000000001 0.0000000000000002 0.0000000000000001

0.00000000000000005 0.0000000000000001 0.00000000000000005

0.00000000000000002 0.00000000000000004 0.00000000000000002

0.00000000000000001 0.00000000000000002 0.00000000000000001

0.000000000000000005 0.00000000000000001 0.000000000000000005

0.000000000000000002 0.000000000000000004 0.000000000000000002

0.000000000000000001 0.000000000000000002 0.000000000000000001

0.0000000000000000005 0.000000000000000001 0.0000000000000000005

0.0000000000000000002 0.0000000000000000004 0.0000000000000000002

0.0000000000000000001 0.0000000000000000002 0.0000000000000000001

0.00000000000000000005 0.0000000000000000001 0.00000000000000000005

0.00000000

NYSE

Tuesday's 4 P.M. Close

The 2,300 most traded stocks of the day.
Afterwide prices not reflecting late trades elsewhere.

The Associated Press.

The Associated Press.

12 Month High Low Stock Div Yield PE 55 100% High Low Lated Clos

12 Month High	Low	Stock	Div	Yld	PE	S\$		Last	Listed	Ch
						100s	High			
51/4	20/4	CashRatio	—	—	—	61	136	49	45/4	+5/4
37/4	21/4	Cash & Co	.49	1.4	—	25/4	25/4	25	25/4	+2/4
17/4	5/4	Credit Suisse	.45	4.8	—	54/2	70	9/4	9/4	+1/4
37/4	20/4	Creditex	2.20	18.4	18	22/4	21/4	21/4	21/4	+1/4
25/4	13/4	Creditex PNT	.29	1.04	—	—	—	15	15	+1/4
16/4	10/4	Creditex PNT	.29	1.04	—	50/4	50/4	15	15	+1/4
17/4	10/4	Creditex PNT	.29	1.04	—	50/4	50/4	15	15	+1/4
22/4	12/4	Critchell	.05	3	—	22/2	17/4	16/2	16/2	+1/4
21/4	4/4	Critchell	.05	3	—	11/4	7/4	2/4	2/4	+1/4
44/4	18	Crust USA	1.54	7.3	—	10/4	11/4	21/4	21/4	+1/4
10/4	6/4	Crown Asia	.05	2.6	—	7/4	7/4	6/4	6/4	+6/4
54/4	34	CrownCo	1.00	3.5	—	30/3	26/4	20/4	20/4	+2/4
51	24/4	CrownCo PNT	.07	2.5	—	25/2	27	22	22	+2/4
25/4	16/4	CrownCo PNT	.07	2.5	—	30/2	25/4	20/4	20/4	+2/4
18/4	9/4	CrownCo PNT	.07	2.5	—	30/2	25/4	20/4	20/4	+2/4
60/4	40/4	CrownCo PNT	.10	2.5	—	30/2	25/4	20/4	20/4	+2/4
21/4	5/4	Crown Inc	.10	2.5	—	30/2	25/4	20/4	20/4	+2/4
58/4	28/4	Crown Inc	.10	2.5	—	30/2	25/4	20/4	20/4	+2/4
12	5/4	Crown Inc	.12	1.4	—	10/4	12/4	6/4	6/4	+6/4
17/4	9	Cyrus	20/4	1.8	—	12/2	11	10/4	10/4	+1/4
55/4	14/4	Cyrus	20/4	1.8	—	12/2	11	10/4	10/4	+1/4



Continued on Page 15

NASDAQ

Tuesday's 4 P.M.
The 1,000 most traded National Market securities
In terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Tuesday's 4 P.M. Close
(Continued)

AMEX

Tuesday's 4 P.M. Close

TUESDAY 3-4 P.M. CEST
The 150 most traded stocks of the day,
up to the closing on Wall Street.
The Associated Press.

INTERNATIONAL INVESTING

Prague Exchange's Failed Reform Effort Leaves Some Predicting Its Demise

By Peter S. Green
International Herald Tribune

PRAGUE — As the country's leading stock indexes fall through the floor, stock-market players are beginning to wonder whether the flagging Czech stock exchange has any future.

The Czech Republic is entering its second full year of recession, with poor company results, growing corporate debt and a well-deserved reputation as a haven for insider trading and other investor-unfriendly practices.

This has sent the indexes of the illiquid Prague Stock Exchange to their lowest levels ever. An investor who put 1,000 korun (\$28.65) into the main PX-50 index at its opening in April 1994 would be sitting on 371 korun worth of shares today — if he could find a buyer.

At its peak in 1995, 1,716 listings were quoted on the Prague Stock Exchange, the result of the country's mass privatization plan that transformed more than 7 million Czechs into shareholders.

But economic reforms have failed, due in part to insider trading, widespread embezzlement at

Czech companies and an inability to restructure for post-Communist markets.

That failure, and a lack of rules on reporting financial results or transparency of ownership, have left the stock market almost devoid of investable stocks.

Today the Prague exchange has only 301 public listings, and fewer than a dozen have any liquidity; the number of Czechs who hold shares is now barely 5 million.

There already a maximum of 10 stocks even domestic investors can invest in, and for foreign investors, the number is closer to five," said Miroslav Nosal, Czech equities analyst at Merrill Lynch in London.

In the next few years, a number of Czech startups may be big enough to issue shares. But Mr. Nosal, echoing a widely held view, warns that if the Prague exchange fails to attract these companies, "its future will be very uncertain."

So far, the Prague exchange has seen only one new share issue and a handful of capital increases.

The post-Communist reforms of former Prime Minister Vaclav Klaus virtually ignored the role of

capital markets in financing and restructuring businesses. That meant it was easier for most managers to borrow from state-owned banks than to cede some control to shareholders, but many companies

Many block trades on the exchange are made by market insiders at undisclosed prices. Weak penalties and enforcement mean few players obey the rules.

were soon failing under mountains of debt.

Today, most of the country's successful large companies are those that were privatized to foreign industrial partners, and most have taken themselves off the Prague exchange, anxious to avoid a drain of dividends and seeing little benefit in being part of a moribund market.

Many block trades on the exchange today take place among market insiders at prices that are not disclosed. Weak penalties and little enforcement mean few market players obey the rules.

Howard Golden, a New York-based fund manager and a vocal advocate of reform, says that despite admirable efforts by newly appointed regulators to improve Prague's transparency, now

that most of the salvageable companies on the Prague exchange or the parallel brokerless RM System exchange have been sold off, the Prague exchange has no purpose.

With nearly 2,500 investors having left the market, there's so little business that of 1,486 brokers in 1997, only 358 remain in business.

Jiri Huebler, the exchange's new managing director, is confident it will revive.

But Mr. Huebler added, "the stock exchange is a mirror of the economy," and until new laws and better enforcement oblige Czech companies finally to play by the rules common in Western Europe and the United States, neither the Czech economy nor its stocks will change.

That means more Czech companies will look beyond Prague for capital.

"The equity market here is a failure of the

economic transition," said Boris Gomez, an economist at ING Barings in Prague.

With no capital available in Prague, "London and Frankfurt are where companies will be looking, because the money is there," Mr. Gomez said.

The Vienna and Frankfurt stock exchanges are planning a computer-based exchange for blue-chips from Central and Eastern Europe, but few investors see the as-yet unnamed exchange as a realistic alternative to Prague or its more successful cousins in Warsaw and Budapest.

Even the country's Securities Commission chairman, Jan Muller, sounds a defeated note when he observes that most serious trading in Czech blue-chips has already moved to London.

Mr. Muller has waged an often lonely struggle to get Western European-style securities rules through Parliament, a process he says could still take several years.

"Small and medium issues will remain on local stock exchanges, and Prague may be one of them," he said, but "only if the Czech market adopts European standards."

Global Pressures Bring New Look to Canada's Stock Markets

By Diana B. Henriques
New York Times Service

NEW YORK — To try to reduce costs and compete more effectively for domestic and international trading business, leaders of the four largest stock exchanges in Canada have announced a sweeping reorganization.

The proposal, still subject to regulatory approval, calls for the Toronto Stock Exchange to become the national center for trading in the shares of major Canadian corporations as Montreal's bourse transforms itself from a stock exchange into a modern options and futures exchange.

The plan also called for the Vancouver Stock Exchange to merge with the Alberta Stock Exchange in Calgary and the Canadian Dealer Network, an electronic market for small stocks operated by the Toronto exchange, to form a pan-Canadian "junior" exchange for smaller companies and start-up ventures.

"These changes will help ensure that the Canadian capital-market system is streamlined and better able to perform in an increasingly competitive global marketplace," Rowland Fleming, the president of the Toronto exchange, said this week.

Mr. Fleming said he expected the new plan to be fully in place by next March.

The rearrangements in Canada reflect the increasingly competitive environment confronting many of the world's major stock exchanges as investors demand cheaper and more efficient trading services.

In recent weeks, the New York Stock Exchange and its domestic rival, the Nasdaq market, have confirmed that they are exploring new alliances with some of the private electronic stock-trading services with which they compete.

And in Europe, stock-exchange leaders are quietly exploring the formation of a pan-European market that would capitalize on the nascent

single-currency system on the continent.

The realignment of trading roles between Toronto and the Montreal Stock Exchange will cut costs for Canadian brokers and exchange-listed companies, said Barbara Stymiest, chairman of the Toronto exchange's board of governors.

Duplicate trading and listing fees will be eliminated, she said, and brokerage houses will be able to focus their equities and derivatives operations in the appropriate cities.

The plan is likely to win applause among brokers, said Fred Ketchen, managing director of equity trading at Scotia McLeod Inc. "Our competition is from the south, not from across our own land," he said, referring to the United States.

The arrangement will allow Montreal to concentrate all its resources on building its derivatives business, officials there said.

While the Toronto and Montreal exchanges will pose an immediate challenge to stock-market regulators in Canada, where there is no national market regulator and each province has its own independent securities commission.

The Montreal exchange is already the most successful futures exchange in Canada and one of the

fastest-growing in the world," said Gerald Lacoste, the exchange's president. "By specializing in the rapidly growing futures and options markets, the Montreal exchange is building on what we already do best."

When rumors of the reorganization broke in newspapers across Canada on Monday, there was speculation that the proposal would be opposed by the Quebec provincial government, which was expected to object to any shift of Montreal's equity-trading business to Toronto. But officials both in Toronto and Montreal said the Quebec Finance Ministry had been informed of the plan and raised no objections.

The new plan will pose an immediate challenge to stock-market regulators in Canada, where there is no national market regulator and each province has its own independent securities commission.

While the Toronto and Montreal exchanges will continue to be policed by regulators in their home provinces, the new market for small

Very briefly:

• Amazon.com Inc., the on-line seller of books, music and videos, plans to increase its authorized common shares to 1.5 billion from 300 million to finance acquisitions and corporate operations as well as to deter potential hostile takeovers, according to documents filed with the Securities and Exchange Commission. The company said it wanted additional shares to pay stock dividends, arrange stock splits and offer stock incentives to employees, executives or directors.

• Bayer AG, the German drug and chemicals maker, will seek shareholder approval April 30 to issue as much as 2 billion euros (\$2.19 billion) of convertible bonds. The bonds are to mature in 15 years or less. The total bond sale, which could be in several issues and in various currencies other than euros, could be converted into a maximum of 32.5 million shares, the company said.

• Hong Kong selected three banks to help sell \$23 billion of stocks that the government bought last summer, but it declined to identify them, saying the banks themselves had not yet been informed. An advisory position could lead to fees of almost \$1 billion from the sale of the stocks, making the most lucrative assignment for an investment bank in the world today. The government was expected to choose one brokerage based in Hong Kong, one European bank and one U.S.-based institution.

• Taiwan's deputy minister of finance, Yen Ching-chang, said tax rules would be revised to allow the cabinet to adjust the stock transaction tax within a range of 0.15 percent to 0.45 percent, the Central press agency reported. The tax currently is 0.3 percent. The change is part of a government proposal to give the cabinet authority to adjust the transaction tax to heat up or cool down the stock market.

Advertisement

For information please contact:

Lyora Raab: Fax (312) 411 43 92 12 or e-mail: funds@ihf.com

INTERNATIONAL FUNDS

Offerings supplied by fund groups to STANDARD & POOR'S MICROPAK: 1-331-40 28 69 09, e-mail: funds@micropak.fr

To receive free daily quotations for your funds subscribe at e-funds@ihf.com

March 16, 1999

<http://www.ihf.com/INTL/FUN/funds.html>

101 ABC ISLAMIC BANK (ECA)	BANK BRUSSELS LAUBERG (CZ) 411 3348	102 BANQUE AGRICOLE	103 BANQUE CANTONNAISE	104 BANQUE COMMERCIALE	105 BANQUE DE L'EST	106 BANQUE DE PARIS ET DES PAYS-BAS	107 BANQUE DE VALEURS	108 BANQUE D'AFRIQUE	109 BANQUE D'AFRIQUE	110 BANQUE D'AFRIQUE	111 BANQUE D'AFRIQUE	112 BANQUE D'AFRIQUE	113 BANQUE D'AFRIQUE	114 BANQUE D'AFRIQUE	115 BANQUE D'AFRIQUE	116 BANQUE D'AFRIQUE	117 BANQUE D'AFRIQUE	118 BANQUE D'AFRIQUE	119 BANQUE D'AFRIQUE	120 BANQUE D'AFRIQUE	121 BANQUE D'AFRIQUE	122 BANQUE D'AFRIQUE	123 BANQUE D'AFRIQUE	124 BANQUE D'AFRIQUE	125 BANQUE D'AFRIQUE	126 BANQUE D'AFRIQUE	127 BANQUE D'AFRIQUE	128 BANQUE D'AFRIQUE	129 BANQUE D'AFRIQUE	130 BANQUE D'AFRIQUE	131 BANQUE D'AFRIQUE	132 BANQUE D'AFRIQUE	133 BANQUE D'AFRIQUE	134 BANQUE D'AFRIQUE	135 BANQUE D'AFRIQUE	136 BANQUE D'AFRIQUE	137 BANQUE D'AFRIQUE	138 BANQUE D'AFRIQUE	139 BANQUE D'AFRIQUE	140 BANQUE D'AFRIQUE	141 BANQUE D'AFRIQUE	142 BANQUE D'AFRIQUE	143 BANQUE D'AFRIQUE	144 BANQUE D'AFRIQUE	145 BANQUE D'AFRIQUE	146 BANQUE D'AFRIQUE	147 BANQUE D'AFRIQUE	148 BANQUE D'AFRIQUE	149 BANQUE D'AFRIQUE	150 BANQUE D'AFRIQUE	151 BANQUE D'AFRIQUE	152 BANQUE D'AFRIQUE	153 BANQUE D'AFRIQUE	154 BANQUE D'AFRIQUE	155 BANQUE D'AFRIQUE	156 BANQUE D'AFRIQUE	157 BANQUE D'AFRIQUE	158 BANQUE D'AFRIQUE	159 BANQUE D'AFRIQUE	160 BANQUE D'AFRIQUE	161 BANQUE D'AFRIQUE	162 BANQUE D'AFRIQUE	163 BANQUE D'AFRIQUE	164 BANQUE D'AFRIQUE	165 BANQUE D'AFRIQUE	166 BANQUE D'AFRIQUE	167 BANQUE D'AFRIQUE	168 BANQUE D'AFRIQUE	169 BANQUE D'AFRIQUE	170 BANQUE D'AFRIQUE	171 BANQUE D'AFRIQUE	172 BANQUE D'AFRIQUE	173 BANQUE D'AFRIQUE	174 BANQUE D'AFRIQUE	175 BANQUE D'AFRIQUE	176 BANQUE D'AFRIQUE	177 BANQUE D'AFRIQUE	178 BANQUE D'AFRIQUE	179 BANQUE D'AFRIQUE	180 BANQUE D'AFRIQUE	181 BANQUE D'AFRIQUE	182 BANQUE D'AFRIQUE	183 BANQUE D'AFRIQUE	184 BANQUE D'AFRIQUE	185 BANQUE D'AFRIQUE	186 BANQUE D'AFRIQUE	187 BANQUE D'AFRIQUE	188 BANQUE D'AFRIQUE	189 BANQUE D'AFRIQUE	190 BANQUE D'AFRIQUE	191 BANQUE D'AFRIQUE	192 BANQUE D'AFRIQUE	193 BANQUE D'AFRIQUE	194 BANQUE D'AFRIQUE	195 BANQUE D'AFRIQUE	196 BANQUE D'AFRIQUE	197 BANQUE D'AFRIQUE	198 BANQUE D'AFRIQUE	199 BANQUE D'AFRIQUE	200 BANQUE D'AFRIQUE	201 BANQUE D'AFRIQUE	202 BANQUE D'AFRIQUE	203 BANQUE D'AFRIQUE	204 BANQUE D'AFRIQUE	205 BANQUE D'AFRIQUE	206 BANQUE D'AFRIQUE	207 BANQUE D'AFRIQUE	208 BANQUE D'AFRIQUE	209 BANQUE D'AFRIQUE	210 BANQUE D'AFRIQUE	211 BANQUE D'AFRIQUE	212 BANQUE D'AFRIQUE	213 BANQUE D'AFRIQUE	214 BANQUE D'AFRIQUE	215 BANQUE D'AFRIQUE	216 BANQUE D'AFRIQUE	217 BANQUE D'AFRIQUE	218 BANQUE D'AFRIQUE	219 BANQUE D'AFRIQUE	220 BANQUE D'AFRIQUE	221 BANQUE D'AFRIQUE	222 BANQUE D'AFRIQUE	223 BANQUE D'AFRIQUE	224 BANQUE D'AFRIQUE	225 BANQUE D'AFRIQUE	226 BANQUE D'AFRIQUE	227 BANQUE D'AFRIQUE	228 BANQUE D'AFRIQUE	229 BANQUE D'AFRIQUE	230 BANQUE D'AFRIQUE	231 BANQUE D'AFRIQUE	232 BANQUE D'AFRIQUE	233 BANQUE D'AFRIQUE	234 BANQUE D'AFRIQUE	235 BANQUE D'AFRIQUE	236 BANQUE D'AFRIQUE	237 BANQUE D'AFRIQUE	238 BANQUE D'AFRIQUE	239 BANQUE D'AFRIQUE	240 BANQUE D'AFRIQUE	241 BANQUE D'AFRIQUE	242 BANQUE D'AFRIQUE	243 BANQUE D'AFRIQUE	244 BANQUE D'AFRIQUE	245 BANQUE D'AFRIQUE	246 BANQUE D'AFRIQUE	247 BANQUE D'AFRIQUE	248 BANQUE D'AFRIQUE	249 BANQUE D'AFRIQUE	250 BANQUE D'AFRIQUE	251 BANQUE D'AFRIQUE	252 BANQUE D'AFRIQUE	253 BANQUE D'AFRIQUE	254 BANQUE D'AFRIQUE	255 BANQUE D'AFRIQUE	256 BANQUE D'AFRIQUE	257 BANQUE D'AFRIQUE	258 BANQUE D'AFRIQUE	259 BANQUE D'AFRIQUE	260 BANQUE D'AFRIQUE	261 BANQUE D'AFRIQUE	262 BANQUE D'AFRIQUE	263 BANQUE D'AFRIQUE	264 BANQUE D'AFRIQUE	265 BANQUE D'AFRIQUE	266 BANQUE D'AFRIQUE	267 BANQUE D'AFRIQUE	268 BANQUE D'AFRIQUE	269 BANQUE D'AFRIQUE	270 BANQUE D'AFRIQUE	271 BANQUE D'AFRIQUE	272 BANQUE D'AFRIQUE	273 BANQUE D'AFRIQUE	274 BANQUE D'AFRIQUE	275 BANQUE D'AFRIQUE	276 BANQUE D'AFRIQUE	277 BANQUE D'AFRIQUE	278 BANQUE D'AFRIQUE	279 BANQUE D'AFRIQUE	280 BANQUE D'AFRIQUE	281 BANQUE D'AFRIQUE	282 BANQUE D'AFRIQUE	283 BANQUE D'AFRIQUE	284 BANQUE D'AFRIQUE	285 BANQUE D'AFRIQUE	286 BANQUE D'AFRIQUE	287 BANQUE D'AFRIQUE	288 BANQUE D'AFRIQUE	289 BANQUE D'AFRIQUE	290 BANQUE D'AFRIQUE	291 BANQUE D'AFRIQUE	292 BANQUE D'AFRIQUE	293 BANQUE D'AFRIQUE	294 BANQUE D'AFRIQUE	295 BANQUE D'AFRIQUE	296 BANQUE D'AFRIQUE	297 BANQUE D'AFRIQUE	298 BANQUE D'AFRIQUE	299 BANQUE D'AFRIQUE	300 BANQUE D'AFRIQUE	301 BANQUE D'AFRIQUE	302 BANQUE D'AFRIQUE	303 BANQUE D'AFRIQUE

WORLD ROUNDUP

West Indies Wins

CRICKET The West Indies beat Australia by 10 wickets Tuesday in the second test in Jamaica.

Resuming at 157 runs on eight wickets on the fourth day, Australia made another 20 runs to avoid an innings defeat. But the West Indies scored the three runs it needed to win the first over of its second innings.

It was the West Indies' first victory in seven tests and avenged a humiliating defeat in last week's first test.

Nehemiah Perry, a spin bowler making his test debut, took five Australian wickets for 70 runs in the second innings. (Reuters)

Wood Could Miss Season

BASEBALL Kerry Wood, the National League Rookie of the Year, is expected to miss this season. The Chicago Cubs pitcher, who last May struck out 20 batters against Houston, damaged the ulnar collateral ligament in his right elbow during his spring training debut against Anaheim on Saturday.

The Cubs said Tuesday that more tests were needed on the 21-year-old right-hander. However, they assume he will need surgery and will not be able to pitch until next year. (AP)

Flutie Agrees to Terms

FOOTBALL Doug Flutie, the veteran quarterback, reached agreement on a contract extension with Buffalo that will give the Bills two \$5 million quarterbacks. Flutie was expected to sign the four-year, \$22 million deal — including \$6 million up front.

The San Diego Chargers agreed to the terms of a trade to acquire quarterback Jim Harbaugh from Baltimore, contingent on Harbaugh reworking his contract and the Ravens acquiring quarterback Scott Mitchell from the Detroit Lions.

The deal would likely keep Ryan Leaf on the bench in his second season to learn from Harbaugh, who will be playing in his 13th season. (AP)

Arsenal Adds Teenager

SOCER Arsenal, the English Premier League champion, has raided Germany to add another teenage prodigy to its collection.

Following the controversial signings of two 15-year-olds — Jermaine Pennant from Notts County and Jenemie Aliadiere from the French School of Excellence — the latest arrival at the Highbury academy is Moritz Volz, 16, a German youth international.

The midfielder was on the books of Bundesliga club Schalke, but he joined Arsenal for a reported £150,000, or a year (\$244,000) starting next season.

The transfer has angered Bernd Stober, the coach of the German under-15 team, which Volz captained. Stober said: "It's an abuse by a professional club — they try to grab players younger and younger." (AFP)

By Christopher Clarey
International Herald Tribune

LAUSANNE, Switzerland — The five rings still have pride of place in this lakeside city that has long styled itself as "*la capitale Olympique*".

The Olympic flag is not at half staff as it flaps in the breeze in front of luxury hotels and along public thoroughfares. Children still play in a park named for Pierre de Coubertin, the founder of the International Olympic Committee, who moved its headquarters here from France in 1915, during World War I.

Samaranch's term ends in 2001, but

he has been called for his resignation from former and current athletes, politicians, sports officials and editorial pages around the world. He has resisted the pressure, and if he does ask for a vote of confidence, it is expected to come early on Wednesday after he addresses the session. Because the majority of the members were named to the IOC during Samaranch's tenure, it would appear that he runs little risk of losing such a gamble.

Though the Associated Press reported Monday that Samaranch believed some members of the IOC's executive board were working behind the scenes to force him to step down, one board member, Kevan Gosper, said Tuesday that "the board's preoccupation is to get through the week in support of the president and start reforms that will turn our reputation around."

"I don't know if there will be any vote of confidence," said Dick Pound, an IOC vice president. "The real vote of confidence is to do what we have to do here."

Samaranch pushed through a change in the IOC rules in 1995 to increase the age limit so he could run for a fourth term. But the term he maneuvered for so cleverly has turned out to be the most traumatic of his presidency, calling his leadership into question and exposing the ethical failings of a committee that relishes its autonomy.

Samaranch's term ends in 2001, but

he has been called for his resignation from former and current athletes, politicians, sports officials and editorial pages around the world. He has resisted the pressure, and if he does ask for a vote of confidence, it is expected to come early on Wednesday after he addresses the session. Because the majority of the members were named to the IOC during Samaranch's tenure, it would appear that he runs little risk of losing such a gamble.

Though the Associated Press reported Monday that Samaranch believed some members of the IOC's executive board were working behind the scenes to force him to step down, one board member, Kevan Gosper, said Tuesday that "the board's preoccupation is to get through the week in support of the president and start reforms that will turn our reputation around."

"I don't know if there will be any vote of confidence," said Dick Pound, an IOC vice president. "The real vote of confidence is to do what we have to do here."

Samaranch pushed through a change in the IOC rules in 1995 to increase the age limit so he could run for a fourth term. But the term he maneuvered for so cleverly has turned out to be the most traumatic of his presidency, calling his leadership into question and exposing the ethical failings of a committee that relishes its autonomy.

Samaranch's term ends in 2001, but

he has been called for his resignation from former and current athletes, politicians, sports officials and editorial pages around the world. He has resisted the pressure, and if he does ask for a vote of confidence, it is expected to come early on Wednesday after he addresses the session. Because the majority of the members were named to the IOC during Samaranch's tenure, it would appear that he runs little risk of losing such a gamble.

Though the Associated Press reported Monday that Samaranch believed some members of the IOC's executive board were working behind the scenes to force him to step down, one board member, Kevan Gosper, said Tuesday that "the board's preoccupation is to get through the week in support of the president and start reforms that will turn our reputation around."

"I don't know if there will be any vote of confidence," said Dick Pound, an IOC vice president. "The real vote of confidence is to do what we have to do here."

Samaranch pushed through a change in the IOC rules in 1995 to increase the age limit so he could run for a fourth term. But the term he maneuvered for so cleverly has turned out to be the most traumatic of his presidency, calling his leadership into question and exposing the ethical failings of a committee that relishes its autonomy.

Samaranch's term ends in 2001, but

he has been called for his resignation from former and current athletes, politicians, sports officials and editorial pages around the world. He has resisted the pressure, and if he does ask for a vote of confidence, it is expected to come early on Wednesday after he addresses the session. Because the majority of the members were named to the IOC during Samaranch's tenure, it would appear that he runs little risk of losing such a gamble.

Though the Associated Press reported Monday that Samaranch believed some members of the IOC's executive board were working behind the scenes to force him to step down, one board member, Kevan Gosper, said Tuesday that "the board's preoccupation is to get through the week in support of the president and start reforms that will turn our reputation around."

"I don't know if there will be any vote of confidence," said Dick Pound, an IOC vice president. "The real vote of confidence is to do what we have to do here."

Samaranch pushed through a change in the IOC rules in 1995 to increase the age limit so he could run for a fourth term. But the term he maneuvered for so cleverly has turned out to be the most traumatic of his presidency, calling his leadership into question and exposing the ethical failings of a committee that relishes its autonomy.

Samaranch's term ends in 2001, but

he has been called for his resignation from former and current athletes, politicians, sports officials and editorial pages around the world. He has resisted the pressure, and if he does ask for a vote of confidence, it is expected to come early on Wednesday after he addresses the session. Because the majority of the members were named to the IOC during Samaranch's tenure, it would appear that he runs little risk of losing such a gamble.

Though the Associated Press reported Monday that Samaranch believed some members of the IOC's executive board were working behind the scenes to force him to step down, one board member, Kevan Gosper, said Tuesday that "the board's preoccupation is to get through the week in support of the president and start reforms that will turn our reputation around."

"I don't know if there will be any vote of confidence," said Dick Pound, an IOC vice president. "The real vote of confidence is to do what we have to do here."

Samaranch pushed through a change in the IOC rules in 1995 to increase the age limit so he could run for a fourth term. But the term he maneuvered for so cleverly has turned out to be the most traumatic of his presidency, calling his leadership into question and exposing the ethical failings of a committee that relishes its autonomy.

Samaranch's term ends in 2001, but

he has been called for his resignation from former and current athletes, politicians, sports officials and editorial pages around the world. He has resisted the pressure, and if he does ask for a vote of confidence, it is expected to come early on Wednesday after he addresses the session. Because the majority of the members were named to the IOC during Samaranch's tenure, it would appear that he runs little risk of losing such a gamble.

Though the Associated Press reported Monday that Samaranch believed some members of the IOC's executive board were working behind the scenes to force him to step down, one board member, Kevan Gosper, said Tuesday that "the board's preoccupation is to get through the week in support of the president and start reforms that will turn our reputation around."

"I don't know if there will be any vote of confidence," said Dick Pound, an IOC vice president. "The real vote of confidence is to do what we have to do here."

Samaranch pushed through a change in the IOC rules in 1995 to increase the age limit so he could run for a fourth term. But the term he maneuvered for so cleverly has turned out to be the most traumatic of his presidency, calling his leadership into question and exposing the ethical failings of a committee that relishes its autonomy.

Samaranch's term ends in 2001, but

he has been called for his resignation from former and current athletes, politicians, sports officials and editorial pages around the world. He has resisted the pressure, and if he does ask for a vote of confidence, it is expected to come early on Wednesday after he addresses the session. Because the majority of the members were named to the IOC during Samaranch's tenure, it would appear that he runs little risk of losing such a gamble.

Though the Associated Press reported Monday that Samaranch believed some members of the IOC's executive board were working behind the scenes to force him to step down, one board member, Kevan Gosper, said Tuesday that "the board's preoccupation is to get through the week in support of the president and start reforms that will turn our reputation around."

"I don't know if there will be any vote of confidence," said Dick Pound, an IOC vice president. "The real vote of confidence is to do what we have to do here."

Samaranch pushed through a change in the IOC rules in 1995 to increase the age limit so he could run for a fourth term. But the term he maneuvered for so cleverly has turned out to be the most traumatic of his presidency, calling his leadership into question and exposing the ethical failings of a committee that relishes its autonomy.

Samaranch's term ends in 2001, but

he has been called for his resignation from former and current athletes, politicians, sports officials and editorial pages around the world. He has resisted the pressure, and if he does ask for a vote of confidence, it is expected to come early on Wednesday after he addresses the session. Because the majority of the members were named to the IOC during Samaranch's tenure, it would appear that he runs little risk of losing such a gamble.

Though the Associated Press reported Monday that Samaranch believed some members of the IOC's executive board were working behind the scenes to force him to step down, one board member, Kevan Gosper, said Tuesday that "the board's preoccupation is to get through the week in support of the president and start reforms that will turn our reputation around."

"I don't know if there will be any vote of confidence," said Dick Pound, an IOC vice president. "The real vote of confidence is to do what we have to do here."

Samaranch pushed through a change in the IOC rules in 1995 to increase the age limit so he could run for a fourth term. But the term he maneuvered for so cleverly has turned out to be the most traumatic of his presidency, calling his leadership into question and exposing the ethical failings of a committee that relishes its autonomy.

Samaranch's term ends in 2001, but

he has been called for his resignation from former and current athletes, politicians, sports officials and editorial pages around the world. He has resisted the pressure, and if he does ask for a vote of confidence, it is expected to come early on Wednesday after he addresses the session. Because the majority of the members were named to the IOC during Samaranch's tenure, it would appear that he runs little risk of losing such a gamble.

Though the Associated Press reported Monday that Samaranch believed some members of the IOC's executive board were working behind the scenes to force him to step down, one board member, Kevan Gosper, said Tuesday that "the board's preoccupation is to get through the week in support of the president and start reforms that will turn our reputation around."

"I don't know if there will be any vote of confidence," said Dick Pound, an IOC vice president. "The real vote of confidence is to do what we have to do here."

Samaranch pushed through a change in the IOC rules in 1995 to increase the age limit so he could run for a fourth term. But the term he maneuvered for so cleverly has turned out to be the most traumatic of his presidency, calling his leadership into question and exposing the ethical failings of a committee that relishes its autonomy.

Samaranch's term ends in 2001, but

he has been called for his resignation from former and current athletes, politicians, sports officials and editorial pages around the world. He has resisted the pressure, and if he does ask for a vote of confidence, it is expected to come early on Wednesday after he addresses the session. Because the majority of the members were named to the IOC during Samaranch's tenure, it would appear that he runs little risk of losing such a gamble.

Though the Associated Press reported Monday that Samaranch believed some members of the IOC's executive board were working behind the scenes to force him to step down, one board member, Kevan Gosper, said Tuesday that "the board's preoccupation is to get through the week in support of the president and start reforms that will turn our reputation around."

"I don't know if there will be any vote of confidence," said Dick Pound, an IOC vice president. "The real vote of confidence is to do what we have to do here."

Samaranch pushed through a change in the IOC rules in 1995 to increase the age limit so he could run for a fourth term. But the term he maneuvered for so cleverly has turned out to be the most traumatic of his presidency, calling his leadership into question and exposing the ethical failings of a committee that relishes its autonomy.

Samaranch's term ends in 2001, but

he has been called for his resignation from former and current athletes, politicians, sports officials and editorial pages around the world. He has resisted the pressure, and if he does ask for a vote of confidence, it is expected to come early on Wednesday after he addresses the session. Because the majority of the members were named to the IOC during Samaranch's tenure, it would appear that he runs little risk of losing such a gamble.

Though the Associated Press reported Monday that Samaranch believed some members of the IOC's executive board were working behind the scenes to force him to step down, one board member, Kevan Gosper, said Tuesday that "the board's preoccupation is to get through the week in support of the president and start reforms that will turn our reputation around."

"I don't know if there will be any vote of confidence," said Dick Pound, an IOC vice president. "The real vote of confidence is to do what we have to do here."

Samaranch pushed through a change in the IOC rules in 1995 to increase the age limit so he could run for a fourth term. But the term he maneuvered for so cleverly has turned out to be the most traumatic of his presidency, calling his leadership into question and exposing the ethical failings of a committee that relishes its autonomy.

Samaranch's term ends in 2001, but

he has been called for his resignation from former and current athletes, politicians, sports officials and editorial pages around the world. He has resisted the pressure, and if he does ask for a vote of confidence, it is expected to come early on Wednesday after he addresses the session. Because the majority of the members were named to the IOC during Samaranch's tenure, it would appear that he runs little risk of losing such a gamble.

Though the Associated Press reported Monday that Samaranch believed some members of the IOC's executive board were working behind the scenes to force him to step down, one board member, Kevan Gosper, said Tuesday that "the board's preoccupation is to get through the week in support of the president and start reforms that will turn our reputation around."

"I don't know if there will be any vote of confidence," said Dick Pound, an IOC vice president. "The real vote of confidence is to do what we have to do here."

Samaranch pushed through a change in the IOC rules in 1995 to increase the age limit so he could run for a fourth term. But the term he maneuvered for so cleverly has turned out to be the most traumatic of his presidency, calling his leadership into question and exposing the ethical failings of a committee that relishes its autonomy.

Samaranch's term ends in 2001, but

he has been called for his resignation from former and current athletes, politicians, sports officials and editorial pages around the world. He has resisted the pressure, and if he does ask for a vote of confidence, it is expected to come early on Wednesday after he addresses the session. Because the majority of the members were named to the IOC during Samaranch's tenure, it would appear that he runs little risk of losing such a gamble.

Though the Associated Press reported Monday that Samaranch believed some members of the IOC's executive board were working behind the scenes to force him to step down, one board member, Kevan Gosper, said Tuesday that "the board's preoccupation is to get through the week in support of the president and start reforms that will turn our reputation around."

"I don't know if there will be any vote of confidence," said Dick Pound, an IOC vice president. "The real vote of confidence is to do what we have to do here."

Samaranch pushed through a change in the IOC rules in 1995 to increase the age limit so he could run for a fourth term. But the term he maneuvered for so cleverly has turned out to be the most traumatic of his presidency, calling his leadership into question and exposing the ethical failings of a committee that relishes its autonomy.

Samaranch's term ends in 2001, but

he has been called for his resignation from former and current athletes, politicians, sports officials and editorial pages around the world. He has resisted the pressure, and if he does ask for a vote of confidence, it is expected to come early on Wednesday after he addresses the session. Because the majority of the members were named to the IOC during Samaranch's tenure, it would appear that he runs little risk of losing such a gamble.

Though the Associated Press reported Monday that Samaranch believed some members of the IOC's executive board were working behind the scenes to force him to step down, one board member, Kevan Gosper, said Tuesday that "the board's preoccupation is to get through the week in support of the president and start reforms that will turn our reputation around."

"I don't know if there will be any vote of confidence," said Dick Pound, an IOC vice president. "The real vote of confidence is to do what we have to do here."

Samaranch pushed through a change in the IOC rules in 1995 to increase the age limit so he could run for a fourth term. But the term he maneuvered for so cleverly has turned out to be the most traumatic of his presidency, calling his leadership into question and exposing the ethical failings of a committee that relishes its autonomy.

SPORTS

New Middle Class Alters Face of College Tourney

Some NBA-Depleted Powerhouses Fade Early

By Joe Drape
New York Times Service

NEW YORK — Long before anyone discovered that Gonzaga was a small Catholic school in Spokane, Washington, before anyone was welcomed to Wally's World by a sweet-shooting 6-foot-8-inch forward, before Southwest Missouri State got a ticket to a regional semifinal in New Jersey, a coach from down on Tobacco Road offered a couple of predictions about the 1998-99 college basketball season.

It was October and Mike Krzyzewski, the Duke coach, was talking about how the college game had changed in the last few years.

He and his colleagues were not just recruiting against each other, but against the National Basketball Association. That was because more high school players went straight to the pros, or treated the colleges as they once did prep schools.

The players stop in the Atlantic Coast or other conferences for a year or two to work on their crossover dribbles. Krzyzewski saw the early exodus of super talents depleting the number of elite teams and diminishing the level of play while at the same time bringing greater parity to college basketball.

Look at which teams advanced over the weekend to the Round of 16 of the National Collegiate Athletic Association tournament and it is clear Krzyzewski's theory holds. The No. 1-seeded teams all advanced: Connecticut in the West, Auburn in the South, Michigan State in the Midwest and Duke in the East.

But three No. 2 teams, two No. 3 teams and three No. 4 teams have been elbowed out by college basketball's new middle class. A record five double-digit seeded teams advanced two rounds: No. 13 Oklahoma, No. 12 Southwest Missouri State and three No. 10s, Purdue, Gonzaga and Miami of Ohio.

The Sooners earned their way to the Midwest Regional semifinals with two poised and gritty performances. But they and Weber State, which bounced No. 3 North Carolina before losing to Florida in overtime, best illustrate how early exits to the NBA can bring an elite team back to the masses.

What if Mike Bibby had returned for his junior year to run Arizona's offense? Or if Antawn Jamison and Vince Carter remained to man the Tar Heels blocks? Both teams may still have lost, but it is a good bet the games

would have been played differently.

There is still plenty of star power left in the college ranks, even if it shines from unfamiliar sectors.

Before the tournament, only NBA scouts and hoops junkies knew about the world of skills Miami of Ohio's Wally Szczerbiak possessed. But after lighting up Washington for 43 points and saving the game with a blocked shot on defense, then turning 11 shot attempts into 24 points and a victory over No. 2 Utah, Wally's World went national.

The rest of the Redhawks were pretty good, too, and showed some tournament truisms remain infallible: a solid cast can jump on the back of one terrific player and run pretty deep in the tournament. Remember, Danny Manning and a no-name bunch of Kansas Jayhawks cut down the national championship nets in 1988.

The Zags from Gonzaga showed what a well-coached team with a fierce will to win can do. They outmuscled one of the nation's biggest and most physical teams and ousted No. 2-seed Stanford. And Southwest Missouri State Coach Steve Alford, one of college basketball's greatest shooters in his days at Indiana, demonstrated with his Bears that he listened to Bobby Knight's lectures on defense.

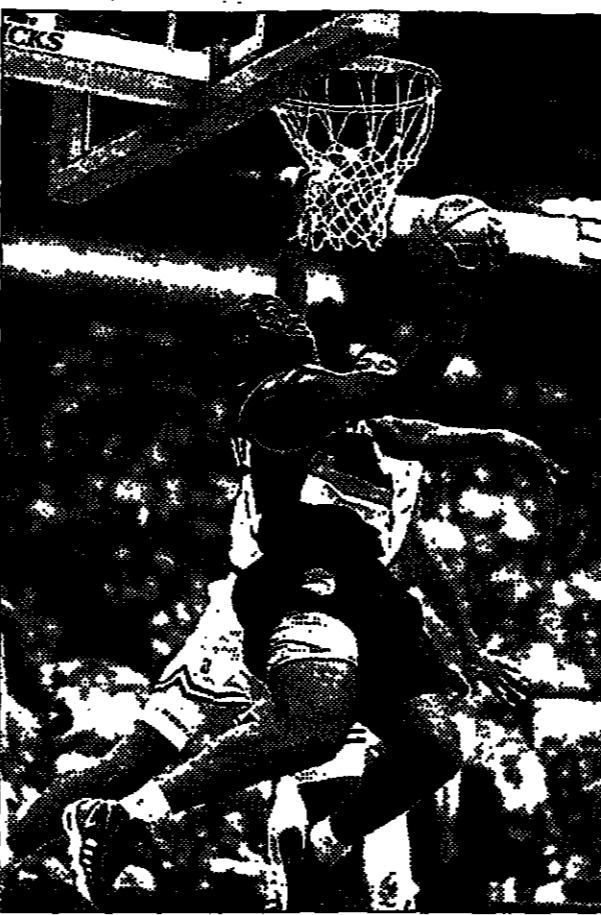
The other observation Krzyzewski had back in preseason is even more pertinent heading into the regional semifinals. He said he believed this edition of the Blue Devils would compete for the national championship. They were among his most talented ever, which is saying a lot from a coach who has been to the Final Four seven times and won two national championships.

Only UConn can approach Duke's talent level, and the Huskies' list of super talent goes only two deep, Richard Hamilton and Khalid El-Amin.

There is still quite a bit of ground for the mid-size class to cover before they reach elite status. But Krzyzewski knows the more things change in college basketball, at least one thing stays the same.

"I think the closer you get to having a chance to win a national championship, the harder it gets," he said Monday. "This is not the regular season; it's totally different. People believe in miracles in March."

The 16 teams remaining are probably going to need one to get by Duke.



Isaiah Rider, a Portland guard, flying past Hot Rod Williams of the Mavericks to score on a layup in Denver.

DiMaggio and Son: Estranged, Private, Difficult

By Greg Garber
Hartford Courant Service

AMID THE typical buzz of a baseball card show some years ago, a man thrust a copy of *Sport magazine* in front of Joe DiMaggio.

The magazine was born in September 1946, and the very first cover featured the Yankee Clipper and his 5-year-old son, Joseph Paul DiMaggio Jr. They both wear Yankees caps and radiant smiles.

DiMaggio looked down at that cover and frowned slightly. Still, he was about to put pen to paper when the man, pointing to the kid, said, "Hey, do you know who that is?"

DiMaggio stiffened. "Of course, I know who it is!" he said angrily, pushing the magazine away. The man didn't get his autograph.

"There were two subjects that were taboo with Joe: Marilyn Monroe and Joe Jr.," said Barry Halper, the pre-eminent baseball collector, who witnessed the incident and knew DiMaggio for 27 years. "In all the time I knew him, he never said a word about either one. You knew not to ask."

On Thursday, at San Francisco's Church of Sts. Peter and Paul, where DiMaggio received his first communion, his only son helped carry his father's casket after the funeral service. Joe Jr., gray-haired at 57, had been estranged from DiMaggio for years. He hadn't talked to his father in more than two years and didn't go to Florida while the former New York Yankee star, 84, battled lung cancer.

In the end, however, the son helped bear the father to his final resting place, Holy Cross Cemetery in Colma, just south of San Francisco. It was appropriate in some measure, for the son has borne the burden of his father's name all of his difficult life. Their conflict has the classic markings of so many soured relationships between parents and children.

Beyond their names, the two men shared a notorious love of privacy. In recent years, Joe Jr.'s only known on-the-record conversation was with "Inside Edition," the tabloid television magazine. In an interview broadcast Feb. 11, Joe Jr. explained why he never saw his ailing father in Florida.

"You know, I never got the words, 'Come now,' or I would've been there in a flash," Joe Jr. said. "I love him, and just all of the things that are felt, but never said, between people. When he wants me there, I'll be there."

The call must not have come.

Joe Sr. was celebrated as an athlete of style and grace and class.

Joe Jr. grew up surrounded by glamour and attention and attended the prestigious Lawrenceville School in New Jersey and Yale University.

Years later, something drew Joe Jr. to Martinez, California, east of Oakland, where his father was born. When "Inside Edition" aired its story last month, Joe Jr. was living in a trailer, working in a junkyard.

"What is Joe DiMaggio's son supposed to do?" he asked. He described himself as "just a free spirit. No commitments. The first of the month rolls around, and I have no payments to make."

There were times when he almost seemed to revel in the contrary nature of his life.

"My lifestyle," he once told a reporter, "is diametrically opposed to my father's."

In 1941, Joe DiMaggio produced one of the greatest and enduring feats in sports. The Yankees center fielder had a 56-game hitting streak. That same year, he also produced his only son.

DiMaggio had met Dorothy Arnold, an actress, when both appeared in the movie "Manhattan Merry-Go-Round" in 1939. They were married later that year at the same twin-spired church on Washington Square where DiMaggio grew up worshipping and from which he was buried.

Joseph Paul DiMaggio Jr. was born in San Francisco. Arnold retired from acting to be a mother and a wife, but the marriage ended in divorce after three years.

In 1951, DiMaggio's last year with the Yankees, he saw a picture of Marilyn Monroe in a newspaper and asked a friend in Hollywood to fix them up on a blind date. For three years, they had a not-so-secret love affair.

DiMaggio married Monroe in January 1954, and she moved into the San Francisco home that DiMaggio had originally bought for his parents.

There, Joe Jr. lived with two of the biggest cultural icons of our time. Monroe's relationship with her stepson blossomed and would last the rest of her life.

The marriage, however, did not go as well. Barely nine months after they were married, DiMaggio and Monroe were divorced. DiMaggio had now been married twice for a total of four years.

As a baseball player, he was a perfectionist.

Giving Up on the Coaches

Grizzlies Struggle, So Hill Could Follow Calipari

The Associated Press

TRAIL BLAZERS 106, MAVERICKS 91 In Dallas, Isaiah Rider scored a season-high 30 points, 23 in the first half, as Portland won for the 10th time in 11 games.

Rider scored only 3 points in an overtime victory Saturday over the lowly Los Angeles Clippers.

"You don't want to have two games like that in a row," he said. "I was determined not to let that happen. I went into the Clipper game lackadaisical. I just wasn't ready to play."

Jazz 90, Timberwolves 83 Karl Malone had 17 points and a season-high 13 rebounds helping Utah hang on in Minneapolis after blowing a 19-point lead.

Magic 74, 76ers 73 Darrell Armstrong stole an inbound pass with 3.3 seconds remaining and dribbled half the length of the court for a buzzer-beating layup against Philadelphia.

The Magic improved to 11-1 at home despite shooting 28.6 percent from the field.

Knicks 108, Bucks 102 Latrell Sprewell scored a season-high 28 points. Allan Houston had 22 and Larry Johnson 21 as New York won in Milwaukee.

Raptors 88, Hornets 82 In Toronto, Doug Christie had 18 points as the Raptors snapped a two-game losing streak and dropped Charlotte to 2-3 under new coach Paul Silas.

Kings 111, Warriors 105 In Sacramento, Chris Webber had 20 points and six other Kings players scored in double figures.

The game was decided at the foul line, where the Kings went 24-for-40 and the Warriors were just 5-for-7.

Outside New Jersey, Devils Thrive

The Associated Press

If there is any advantage to playing at home, the New Jersey Devils have not found it yet this season.

The National Hockey League's best road team made that record even better with a 2-1 victory over the Vancouver Canucks on

NHL ROUNDUP

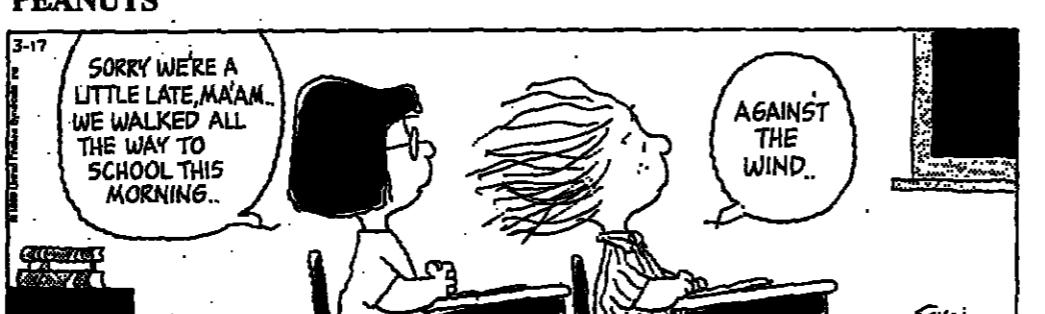
Monday night. The Devils are 23-8-2 on the road, but only 14-13-6 at home.

"It's kind of confusing," said Ken Daneyko, a New Jersey player. "We've had a tough time at home — just over .500. But on the road, at times we seem unbeatable. It just seems we play a simple game on the road. We move the puck, we skate, we don't get into trouble."

"At home we try to do too many things, and sometimes we give up too many odd-man chances and get behind the 8-ball."

Sabres 2, Islanders 1 Miroslav Satan scored twice and Dwayne Roloson gave Buffalo another strong performance in net as the Sabres beat the visiting Islanders.

PEANUTS



GARFIELD



BEETLE BAILEY

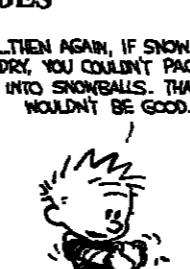


BLONDIE



Internet address:
www.iht.com

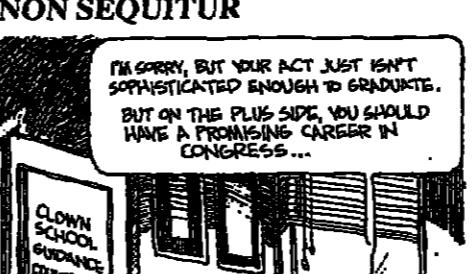
CALVIN AND HOBBES



WIZARD OF ID



NON SEQUITUR



© 1999 Wiley Kifer dist. by Washington Post Writers Group

POSTCARD

Spanish ImbroglioBy Al Goodman
New York Times Service

MADRID, Spain — When "The Grandfather" ("El Abuelo") won an Oscar nomination last month as best foreign-language film, there was a sense of vindication for its director, Jose Luis Garcí, who has been locked in a nasty battle with Spain's film establishment.

Garcí, who won a foreign-film Oscar in 1983 for "Begin the Beguine," has attacked the leaders of the Spanish film academy as "fascist" for not fully clearing his name after allegations of a vote-buying scheme for Spain's top film awards, the Goyas.

An anonymous letter was sent in December to most of the 771 voting members of the Spanish Academy of Cinematic Arts and Sciences saying that Garcí's aides would personally collect the ballots, which are supposed to be mailed directly to Madrid notary. Garcí denies any connection to the letter.

It is the biggest scandal ever for Garcí and for the 13-year-old Spanish academy, which some industry veterans regard as a clubby institution whose members have more than once snubbed such internationally known Spanish directors as Pedro Almodóvar.

The academy insisted in two statements in January that the matter was settled when no proof emerged of vote-buying or improper pressure. The academy dropped the matter, although its president agreed to consider a stricter code of ethics on voting.

That was not enough for Garcí, and he abruptly quit the academy before its Jan. 23 awards ceremony here. "The Grandfather" won just one Goya statuette, for best actor, after being nominated in 13

categories, including best picture and best director.

He said the results demonstrated that he did not buy votes. His lawyers are seeking a more definitive statement from the academy absolving him of any misconduct. "I don't think you can play with a person's honor," Garcí said. "I want a full reparation of the damage, and I hope to get it soon."

Some said that fierce commercial pressures, and perhaps pure envy, may have inspired the anonymous letter. The scandal arose after the film industry had reached cruising speed, with high-quality movies and wide popularity after years of hard work. In 1997, moviegoers bought 13 million tickets to domestic films, accounting for \$52 million in receipts, double the numbers from a decade ago.

□

The mystery remains over who sent the letter. "We'd need Philip Marlowe to find out," Garcí said.

Rumors have swept Madrid about the letter's author. Some say Garcí may have been singled out as a target for having been perceived as nudging up to the conservative government. But he said that some of his earlier films had anti-Franco themes: "Begin the Beguine" is about a Spaniard in exile after the Civil War who wins the Nobel Prize in literature.

While the harsh words have waned, the wounds do not appear to be healed. After "The Grandfather" became an Oscar finalist, the film's lead actress, Cayetana Guillén Cuervo, who is Garcí's romantic off-screen partner, told the daily *El País*: "Now some people will have to shut up. Or did we buy the American academy, too?"

The Limitless Horizons of Russia's PhilosophersBy Patricia Cohen
New York Times Service

MOSCOW — Vladimir Fedorovich Titov is not bitter. True, he was chief of the department of Marxist-Leninist philosophy at the prestigious Moscow State University when the faculty voted in 1991, as put it, to "liquidate completely" his department.

"We decided the question pacifically. Professors understood the political situation." He offers a gentle smile, revealing a gold tooth. This 60-year-old Marxist is now teaching existentialism. "It was a great mistake," he says of his department's elimination. "Marx was a great thinker. Without him you can't do philosophy."

For 70 years Russian philosophy was Marxism-Leninism. It was more than a dusty schoolroom requirement; it was the national religion, the source of the state's political authority and legitimacy.

Vladimir Mironov, chairman of Moscow University's philosophy department, remembers a teacher once telling him: "You get paid a high stipend not because you know philosophy, but because you're going to be an ideologue." These days ideological work doesn't pay that well, but no one knows yet what will replace it.

"Of course, the old guard, professors like Titov, still have their teaching jobs, and some of the textbooks have changed nothing more than their titles. But Russian philosophy, freed from the Marxist straitjacket, is clumsily stretching its arms, testing its reach.

Instead of looking at every problem through the lens of scientific socialism, philosophers can now reinvent themselves: they can be analytical or mystical, try logic or phenomenology. The ethics of political and economic success are suddenly acceptable subjects for ethicists, as are abortion and organ transplants. In epistemology, the study of knowledge, scholars can now examine a subject once off-limits, like the religious roots of science.

This freedom has pitched Russian philosophy both backward and forward. In some cases Russians have looked inward, sifting through their own past to rediscover the philosophical heritage that was suppressed during most of the Soviet period. Some have turned to the religious philosophy of the Christian Orthodox church, while others are re-examining the 19th-century notion of the "Russian idea," the nation's unique historical mission. Still others have looked outside,

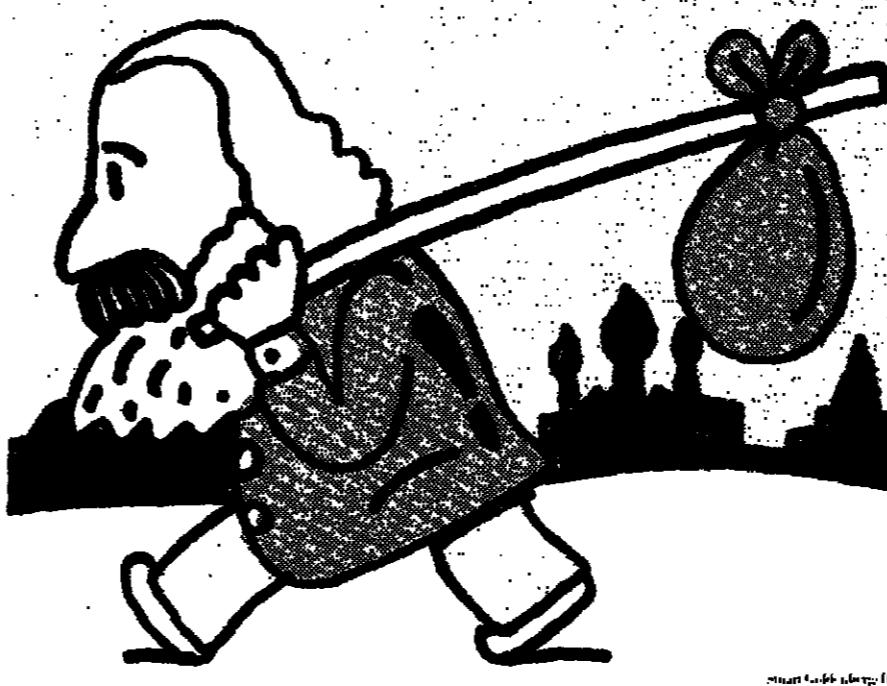


Illustration by Bob Staake

to Europe's and America's postmodernists. What philosophical school is most popular now? "What day is it?" Mironov responded with a laugh.

The "all of the above" option is, to some degree, precisely the point of a post-communist world. Yet as these and other ideas rush to fill the vacuum left by communism, the question is whether Russians will be tempted by a substitute orthodoxy.

"People understood Marx very dogmatically," said Ruben Apresyan, who teaches at the Institute of Philosophy in Moscow, historically a more autonomous institution than Moscow State University. Now "they are replacing one set of axioms with another."

In this sense, how the born-again field of philosophy develops is a bellwether of Russia's intellectual life in general, and of its ties to the country's politics and economy.

The most predictable impulse after the fall of communism was Russian scholars' desire to fill in the gaps of their history. Although some of the writings of homegrown philosophers like Vladimir Solovyov, Nikolai Berdyaev and Ivan Illich began to be available in the Khrushchev era, they were carefully controlled. You could talk about them,

says El'mar Sokolov (whose parents chose Engels, L for Lenin, M for Marx), but you couldn't write about them.

Sokolov's thin face, gray hair and weathered pin-stripe suit are illuminated by St. Petersburg's iron-tinted afternoon light. Outside is the snowy garden he ran through as a boy during the Nazi siege of Leningrad: inside this professor's study are black-and-white photos of his family, Czars Alexander II and Nicholas II, and Berdyaev.

Even though small public lectures on Berdyaev were allowed in the mid-1980s, "a friend had problems because he said Berdyaev was more important than Lenin," Sokolov remembers. "He was fired, then sent to a bad university to teach. Then he emigrated."

Berdyaev, one of the best known Russian philosophers, turned his back on Marxism in 1922 and was deported to Paris, where he wrote about Russia's destiny as the new Jerusalem. The Russians, he said, were a special spiritual, organic people with a mission to transform society.

Like many other intellectuals and writers he was deeply influenced by Solovyov, the 19th-century philosopher whose complete works are now being published for the first time.

Solovyov, who coined the term "the Russian idea," had a mystical bent and saw Christianity as the repository of supreme wisdom. The return of "the Russian idea" worries those who fear that a belief in Russia's exceptionalism could turn into a dangerous messianism. When many Russians feel humiliated, the notion of a divine mission offers psychological compensation. It also seems to set the stage for a replay of the tug of war between nationalist, conservative Slavophiles and progressive, secular Westernizers, a struggle that Dostoyevsky savagely depicted in his 1872 novel "Demons."

Yet this opposition between East and West has often been exaggerated. The simple idea that Russia has a unique character, a particular "Russkii mentalitet," appeals not only to fierce nationalists, but to religious leaders, poets, anti-communists (who see Marx as a Western import), as well as young, liberal Western-educated scholars who don't want to see Russia's form squished into a one-size-fits-all American-style suit.

That is particularly true at the moment, when Western-style liberalism has taken such a battering here. Instead of rose-colored glasses, many Russians now see the West through what Apresyan calls "gray glasses." Intellectuals in Moscow and St. Petersburg agreed.

"There is a disenchantment with Western liberal ideology," said Vladimir Lektoriskiy, editor of the leading philosophy journal, Voprosy Filosofii (Problems of Philosophy). "Liberalism was reduced only to minimal government and private property, with disastrous results." In theory and practice liberalism itself had turned into a kind of dogma. Corruption, poverty, a dwindling industrial base and agricultural system, and governmental chaos hadn't exactly help salvage the capitalist dream.

But one Western import that has captured the imagination of the younger generation of scholars is French postmodernism. "Every second person considers himself a postmodernist," Mironov said.

In many ways postmodernism seems the perfect philosophy for a post-communist society. After years of listening to the ruling party dish out the "Truth," postmodernism's insistence on competing notions of truth is a refreshing change. Its skepticism of authority extends to Western assumptions about the straight path of progress and common attributes. Thus, those who hold on to a sense of Russia's uniqueness are drawn to it as well.



DRESSES FOR CHARITY — Natasha Richardson, left, and Elizabeth Taylor at a New York party before an auction to benefit AIDS research. The auction will be of dresses worn to the Oscars by well-known actresses.

A STAR-STUDDED group has signed on to celebrate the 100th anniversary of Ernest Hemingway's birth. The panel of authors includes Derek Walcott, Kenzaburo Oe, George Plimpton, E. Annie Proulx, Henry Louis Gates, Gail Caldwell, Chinua Achebe and the Nobel laureates Saul Bellow and Nadine Gordimer. The authors will reflect on Hemingway's influence on world literature at the Hemingway Centennial, to be held at the John F. Kennedy Library in Boston on April 10 and 11. Hemingway, born in Oak Park, Illinois, in 1899, killed himself in 1961.

The third annual World Press Freedom Prize will be awarded to a crusading Mexican editor who continues to investigate drug traffickers two years after an almost fatal assassination attempt. Jesus Blanquerolas, the editor in chief and founder of the Tijuana-based weekly Zeta, will receive the \$25,000 award given by the United Nations and the Bogota-based

Guillermo Cano Foundation in Bogota on May 3.

Buddy Holly's relatives have sued the singer's record label, charging that the company hoarded royalty payments, forged contracts and produced albums without family consent. The lawsuit against MCA Records seeks unspecified damages. The plaintiffs are Buddy Holly's widow, Maria; his brothers, Larry and Travis Holley, and his sister, Pat Holley. The lawsuit, filed in a Texas state court in Lubbock, where Holly came from, charges that the MCA contracts providing for royalties to Holly's heirs are legally questionable and should be negotiated. Holly, whose hits included "That'll Be the Day,"

"Peggy Sue" and "Maybe Baby," died in a plane crash at age 21 in 1959.

The shock rocker Marilyn Manson has canceled three concerts after spraining an ankle during a show in Inglewood, California. He hurt himself jumping from a speaker onto the stage Sunday night, and the concert was cut short. Manson, advised to rest his ankle for five days, canceled shows in San Diego, Las Vegas and Phoenix.

New Enlistees at the Rock Hall of Fame

NEW YORK — Bruce Springsteen, a regular at the Rock and Roll Hall of Fame's annual ceremonies since its first members were named in 1986, has been induced himself, along with Paul McCartney, Billy Joel, Dusty Springfield, Curtis Mayfield, De'Shawn and the Staple Singers.

McCartney and Mayfield had already been inducted as members of the Beatles and the Impressions.

Current stars — including Lauryn Hill, the winner of this year's Grammy Award for best album, Eric Clapton, Bonnie Raitt and Elton John — attended the ceremony and jam session at the Waldorf-Astoria on Monday night.

John paid homage to Dusty Springfield, who died on March 2. "When I first heard that voice, I fell in love with that voice," he said. "I think she's the greatest white singer that there ever has been."

Two Broadway performances of "Death of a Salesman" were canceled because its star, Brian Dennehy, was hospitalized with what his spokesman said was high blood pressure. Performances Sunday and Tuesday were canceled because Dennehy, whose role as Willy Loman requires him to be on stage for almost three hours, has no understudy. His publicist said a decision would be made Tuesday on whether Dennehy would be able to perform in Wednesday's matinee.

(out of the blue)

You never know where your next business deal will come from. So use AT&T Direct® Service. With the world's most powerful network, you get fast, clear, reliable connections from anywhere. Plus, you'll always have the option of an operator who speaks your language. And it costs your AT&T Calling Card or credit card, and you're well on your way. And now back to your action.

Steps to follow for easy calling worldwide:

1. Just dial the AT&T Access Number for the country you are calling from.
2. Dial the phone number you're calling.
3. Dial your card number.



AT&T Access Numbers									
Austria	022-903-011	Greece	00-800-1311	Saudi Arabia	00-800-10				
Belgium	0-800-100-10	Ireland	1-800-550-000	Spain	00-89-20-11				
Czech Republic	00-42-000-101	Israel	1-800-94-94949	Sweden	020-795-611				
Egypt (Cairo)	010-00-0200	Italy	1-72-1011	Switzerland	020-89-09-0911				
France	0-800-99-0011	Netherlands	0800-022-9111	United Kingdom	0-800-89-0011				
Germany	000-222-000	Russia (Moscow)	733-5042	United States	1-800-89-0011				

For access numbers not listed above, ask any operator for AT&T Direct Service, or visit our Web site at www.att.com/traveler.



It's all within your reach.

Credit card calling subject to availability. Payment terms subject to your credit card agreement. Bold-faced countries permit country-to-country calling only to the U.S. Collect calling is available to the U.S. only. Country-to-country rates consist of the cost of a call to the U.S. plus an additional charge based on the country you are calling. You can call the U.S. from all countries listed above. Pay phone deposit = Limited availability. Calling available to most countries. Public phones require local coin payment during the call. "Dot" 02 first, not dot de Cero. Minimum charge applies outside Moscow. The UK access number in N Ireland +0500-89-0011. The UK toll-free access number is 0800-013-0011. ©1998 AT&T.